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ABSTRACT

This handbook is designed to help high school counselors advise students about financial aid for postsecondary education. It focuses on the student financial aid programs administered by the U.S. Department of Education. The book includes supplementary materials designed to encourage high school students to consider postsecondary education as an avenue to a more rewarding career. This handbook is divided into three parts: "General Information about Postsecondary Opportunities"; "Application Process for Financial Aid"; and "Completing the Free Application for Federal Student Aid." Appendix A is "Sources of Additional Information"; Appendix B is "Directory of State Agencies"; and Appendix C contains sample handouts. Also provided is a glossary. (MKA)

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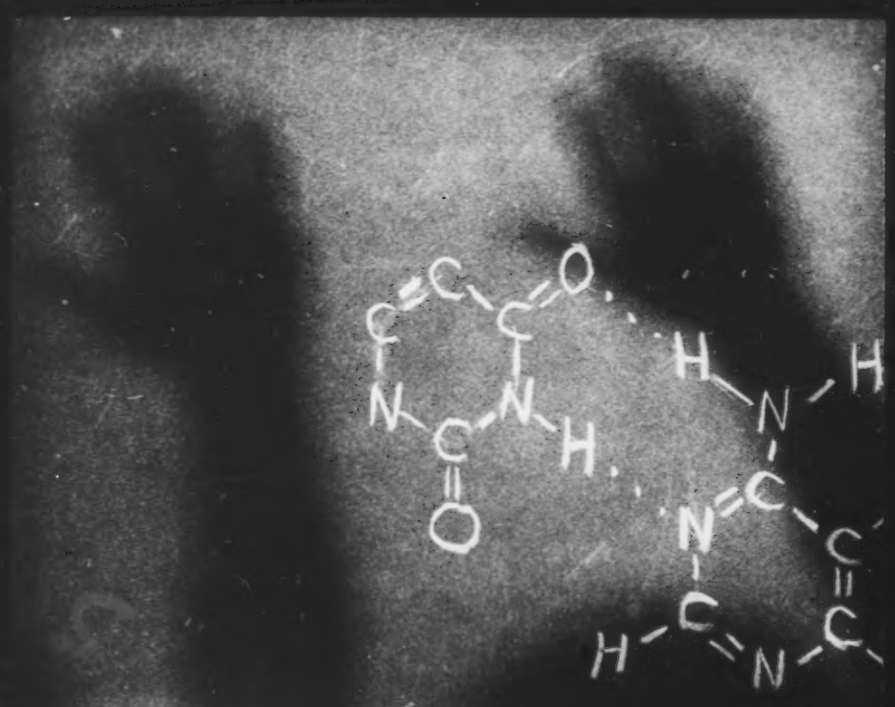
The High School Counselor's Handbook



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Important Telephone Numbers for School Counselors

Federal Student Aid Information Center (FSAIC)
Toll-free number for checking status of FAFSA and corrections, requesting a duplicate SAR, or asking general questions — **1-800-4-FED-AID (1-800-433-3243)**

TTY (for the hearing impaired) — **1-800-730-8913**

Toll number for inquirers calling from foreign countries — **1-319-337-5665**

Application Ordering System Hotline
Placing publication or FAFSA bulk orders or checking order status — **1-800-284-2788**

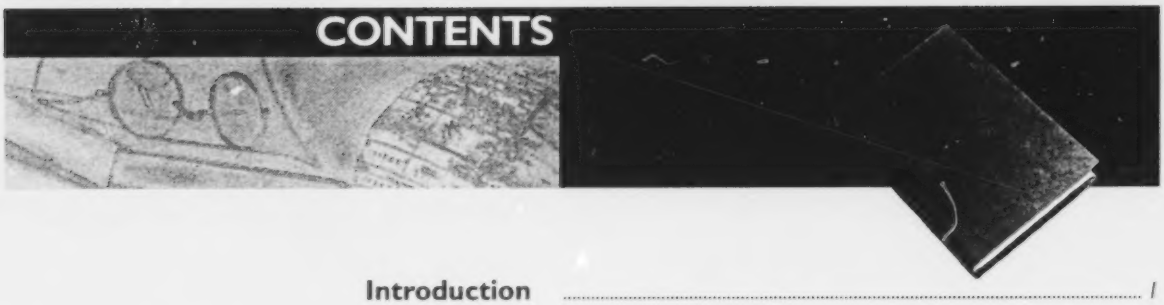
FAFSA on the Web
General information and technical assistance — **1-800-801-0576**

Inspector General Hotline
Reporting student aid fraud, waste, or abuse — **1-800-MIS-USED (1-800-647-8733)**

Important Web Sites for School Counselors

ED's Information for Students	**http://www.ed.gov/studentaid**
Help in Completing the FAFSA	**http://www.ed.gov/prog_info/SFA/FAFSA**
FAFSA on the Web and Federal School Codes	**http://www.fafsa.ed.gov**
Funding Your Education	**http://www.ed.gov/prog_info/SFA/FYE**
Looking for Student Aid	**http://www.ed.gov/prog_info/SFA/LSA**
The Student Guide	**http://www.ed.gov/prog_info/SFA/StudentGuide**

CONTENTS



Introduction 1

Part **ONE** General Information about Postsecondary Opportunities 3

Sources of aid 4

The major federal student financial aid programs 4

Other ED programs 5

Leveraging Educational Assistance Partnership (LEAP) Program 5

Robert C. Byrd Honors Scholarship Program 5

Vocational rehabilitation programs 6

Other federal programs 6

Federal income tax credits 6

National and community service 6

Job training 6

Health professions 6

Veterans benefits 6

Other assistance from the military 7

Nonfederal sources: state, private, school 8

General eligibility requirements 9

Demonstrating need 11

Cost of attendance 11

Need analysis 11

Calculating the EFC 11

Determining the Federal Pell Grant amount 11

How aid is awarded 12

Financial aid package 12

Loan default and choice of school 13

Are opportunities in the career field stable or expanding? 13

Is the career compatible with the student's aptitude and interests? 13

Does a school have a good reputation for educating and placing its students? 14
How many of a school's students graduate and find employment in the career for which they trained? 14
What are a school's administrative and academic policies? 14
What types of financial aid does a school offer? 14
What can be learned from a visit to a school? 15

Schools' responsibilities 16

Opportunities for disadvantaged students 17

Myths about financial aid 17
Realities about postsecondary education and financial aid 17
Reaching "at-risk" students 18
Establish a timetable of age-sequenced activities 18
Involve parents as well as students 18
Establish a tutoring and/or mentoring program 18
Provide firsthand information 19
Provide academic counseling 19
Develop cooperative programs with local postsecondary schools 19
Early-intervention programs 19

Part **TWO** Application Process for Financial Aid 23

How to apply 25

Electronic application methods 26

FAFSA on the Web 26

FAFSA Express 27

EDExpress 28

Paper application method 28

Advantages of electronic applications 29

How the application is processed 30

Data matches 30

Social Security Administration matches 30

Immigration and Naturalization Service (INS) match 31

National Student Loan Data System (NSLDS) matches 31

Other matches 31

Reviewing the Student Aid Report (SAR) and SAR Information Acknowledgement 31

Student Aid Report (SAR) 32

Part 1—Information Summary 32

Part 2—Information Review Form/Information Request Form 32

SAR Information Acknowledgement 32

Verification 32

Making changes 33

Corrections and updating 33

Dependency status and overrides 33

Adding a school 34

2000–2001 deadlines 35

Part THREE Completing the *Free Application for Federal Student Aid* 37

Pointers for completing the FAFSA 38

STEP ONE (Questions 1-36) 39
Questions 1-17 39
Questions 18-36 40

STEP TWO (Questions 37-53) 41
Questions 37-53 41

STEP THREE (Questions 54-59) 43
Questions 54-59 43

STEP FOUR (Questions 60-85) 44
Questions 60-70 44
Questions 71-85: Income and Asset Information 45
Questions 71-81 45
Questions 82-85 46

STEP FIVE (Questions 86 and 87) 46
Questions 86 and 87 46

STEP SIX (Questions 88-99) 47
Questions 88-99 47

STEP SEVEN (Questions 100-104) 47
Questions 100-104 47

Where ED sends the FAFSA information 49

The FAFSA Form 51

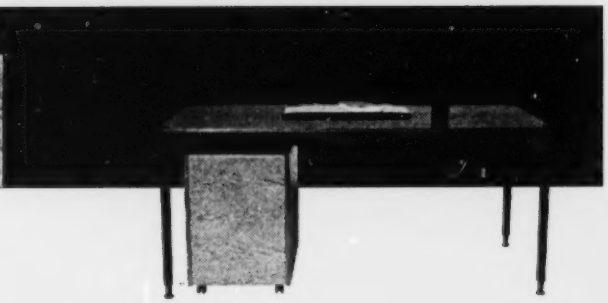
Appendix A Sources of Additional Informaton 63

Appendix B Directory of State Agencies 67

Appendix C Sample Handouts 77

Glossary 89

INTRODUCTION



The High School Counselor's Handbook 2000-2001

The *High School Counselor's Handbook* 2000-2001 aims to help high school counselors advise students about financial aid for postsecondary education. This book focuses on the student financial aid programs administered by the U.S. Department of Education.

We also have included supplementary materials designed to encourage high school students to consider postsecondary education as an avenue to a more rewarding career.

We welcome any comments or suggestions on ways to make this handbook more useful in future editions. Please send your comments to

U.S. Department of Education
Student Financial Assistance
Aid Awareness
ROB-3, Room 3030
400 Maryland Avenue, SW
Washington, DC 20202

If you prefer, you may e-mail comments to **cindy_cameron@ed.gov**

We hope you find this publication informative and helpful.

Part ONE

General Information About Postsecondary Opportunities

Many high school students don't know they may be eligible for financial aid to attend college. Unfortunately, many of the neediest students assume they can't afford to go to college to continue their education. But financial aid is available through private, school, state, and federal student aid programs.

To help students find out more about the U.S. Department of Education's (ED's) student financial assistance programs, you can give them copies of *Funding Your Education*, a free ED publication especially for high school students. Each fall ED sends a letter with instructions on ordering *Funding Your Education* and the *Free Application for Federal Student Aid* (FAFSA) to every high school in the United States. (ED will automatically send the quantity requested in the previous year's initial order, but you can change the quantity by following the instructions in the letter.) Individual copies may also be ordered by mail or by telephone:

Federal Student Aid Information Center
(FSAIC)
P.O. Box 84
Washington, DC 20044

Telephone: **1-800-4-FED-AID**
(1-800-433-3243)
TTY: **1-800-730-8913**
Inquirers calling from foreign countries might not have access to the toll-free number; they can call **1-319-337-5665**.

High schools may order additional bulk quantities of *Funding Your Education* (in English or Spanish), the FAFSA, and the Spanish version of the FAFSA via ED's automated telephone ordering system. You can call **1-800-284-2788** to place or check orders by phone.

Students can receive a free copy of *Funding Your Education*, a FAFSA, and/or the *Student Guide* (a comprehensive description of the federal student aid programs) by calling the FSAIC. These publications are also available on the Internet:

Funding Your Education
http://www.ed.gov/prog_info/SFA/FYE

FAFSA on the Web
http://www.fafsa.ed.gov

Student Guide
http://www.ed.gov/prog_info/SFA/StudentGuide

Sources of aid

The U.S. Department of Education's student financial aid programs are authorized by the Higher Education Act of 1965. The programs deliver billions of dollars, as the pie chart for 1998-99 shows below, representing a substantial federal commitment to provide financial assistance for postsecondary students. For 1998-99, these programs provided approximately $44 billion in aid to an estimated 8.5 million people.

Other important sources of aid, some of which are nonfederal, may also be available to your students. Encourage your students to search on the Internet and check the reference section of the school library or public library. **Appendix A** has some helpful references. Many scholarship search services are free or low cost. Students are encouraged to check out the reputation of a search service before paying for the service.

The major federal student financial aid programs

- **Federal Pell Grant Program**—Federal Pell Grants are awarded according to rules set by Congress. If a student is eligible on the basis of these rules, an eligible school will pay the student his or her Federal Pell Grant and be reimbursed by ED.

- **Campus-Based Programs**—Campus-based programs are administered by the financial aid office at the school. ED funds participating schools annually at a specified level. The school then awards these funds to students following federal guidelines. When the funds are spent, no more campus-based aid is available at that school for the year. Therefore, the earlier an eligible student applies, the more likely he or she is to receive campus-based aid. The campus-based programs are

  - Federal Supplemental Educational Opportunity Grants (FSEOG)
  - Federal Work-Study (FWS)
  - Federal Perkins Loans

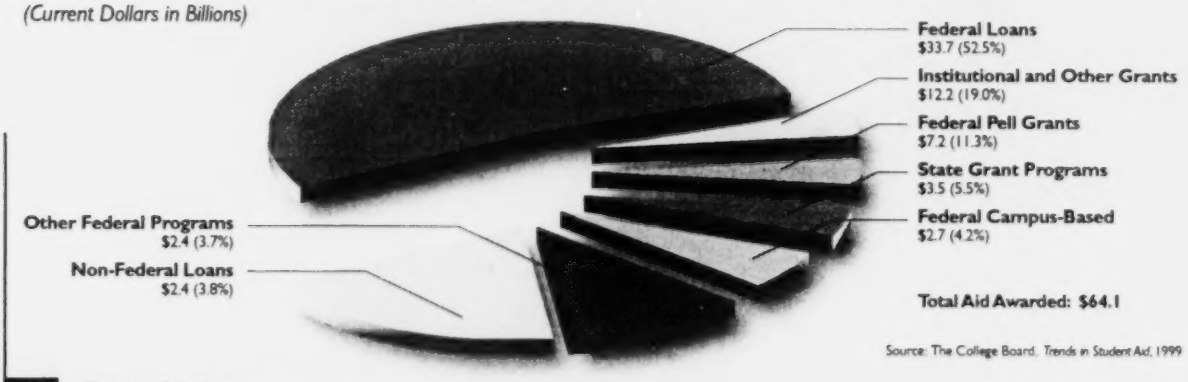
- **William D. Ford Federal Direct Loan Program**—The William D. Ford Federal Direct Loan (Direct Loan) Program enables eligible students and parents to borrow from ED instead of a bank or other lending institution. This way borrowers work with a single entity, ED, through its servicing centers. The Direct Loan Program offers a range of flexible repayment options to meet borrowers' varied financial circumstances. There are four types of Direct Loans:

  - Federal Direct Stafford Loans (subsidized)
  - Federal Direct Stafford Loans (unsubsidized)
  - Federal Direct PLUS Loans (for parents)
  - Federal Direct Consolidation Loans (to combine federal education loan debts)

- **Federal Family Education Loan (FFEL) Program**—The funds lent under the Federal Family Education Loan (FFEL) Program are provided by banks and other lenders, guaranteed by state agencies, and reinsured by the federal government. The FFEL Program also offers a variety of loan repayment options. There are four types of FFELs:

Estimated Student Aid by Source for Academic Year 1998-99

(Current Dollars in Billions)



Source: The College Board. *Trends in Student Aid*, 1999

- Federal Stafford Loans (subsidized)
- Federal Stafford Loans (unsubsidized)
- Federal PLUS Loans (for parents)
- Federal Consolidation Loans (to combine federal education loan debts)

As noted above, the Direct Loan Program and the FFEL Program have subsidized and unsubsidized loans.

- Subsidized loans are awarded to students on the basis of financial need. The federal government covers the borrower's interest during some significant periods, such as when the student is in school, thereby "subsidizing" these loans.

- Unsubsidized loans are not need-based; the borrower is responsible for interest throughout the life of the loan.

Both subsidized and unsubsidized loans are available to students; PLUS Loans, which are for parents, are always unsubsidized.

A student cannot borrow from both the FFEL Program and the Direct Loan Program at the same time for the same school year. Similarly, a parent cannot borrow from both programs at the same time for the same student. The school the student plans to attend will tell the student which program he or she can borrow from at that school.

See *Funding Your Education* and the *Student Guide* for more information on ED's federal student financial aid programs. Ordering information for individual copies is on page 3.

Remember:

✓ ***Grants** (Pell and FSEOG) are gift aid and do not have to be repaid.*

✓ ***Loans** (Perkins, Direct, and FFEL) must be repaid.*

✓ ***Work-study** (FWS) provides income (which does not have to be repaid) from a part-time job.*

Other ED programs

Leveraging Educational Assistance Partnership (LEAP) Program

The **Leveraging Educational Assistance Partnership (LEAP) Program**, formerly known as the State Student Incentive Grant (SSIG) Program, assists states in providing grants to eligible postsecondary students. Each state has its own name for this grant program, as well as its own award amounts and application procedures. States may use a percentage of their LEAP funding to provide work-study assistance through community-service job programs. Many of the eligibility criteria are established by the state agency administering the program, although LEAP recipients must also meet the same basic eligibility criteria that apply to other federal student financial aid recipients. Student and school inquiries about LEAP and other state grant, scholarship, and work-study assistance should be directed to the appropriate state agencies. State agencies are listed in **Appendix B.**

Note: It is a common requirement that a recipient of LEAP funds be a resident of the state awarding the funds. The definition of residency varies from state to state. Please ensure that your students contact the agency of the state in which they live, not of the state in which they plan to attend college.

Robert C. Byrd Honors Scholarship Program

Under the **Robert C. Byrd Honors Scholarship Program (Byrd Program)**, which recognizes and promotes student excellence and achievement, ED makes grants to the states to provide scholarships to exceptionally able postsecondary students. Recipients under this program are known as Byrd Scholars. Applicants must follow the application procedures established by the sponsoring state education agency. The state education agency establishes procedures for selecting the scholars after consulting with school administrators, school boards, teachers, counselors, and parents. Byrd Scholars are

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awarded an amount each year (not to exceed the cost of attendance) for each of their first four years of study at any institution of higher education. State agencies are listed in **Appendix B**.

Vocational rehabilitation programs

ED also provides **assistance for disabled persons** through programs administered by state vocational rehabilitation agencies. Students must meet state eligibility criteria for these programs, and this aid must be coordinated with student aid from other sources to prevent duplicating benefits. A student is most likely to receive the maximum assistance by contacting, as early as possible, the state agency administering the program(s) for his or her home state and the financial aid office at the school he or she plans to attend.

Other federal programs

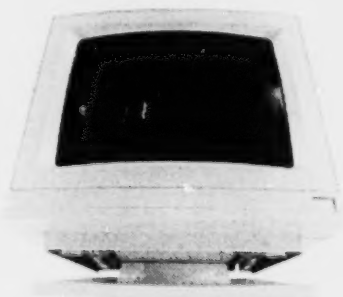
Federal income tax credits

Two federal income tax credits—dollar-for-dollar reductions in tax liability—are now available for higher education expenses.

- The **Hope Credit**, a tax credit worth up to $1,500 per student per year, is available to first-year and second-year students enrolled at least half time.

- The **Lifetime Learning Credit** is a tax credit up to $1,000 (equal to 20 percent of a family's annual tuition expenses up to $5,000) for virtually any postsecondary education and training, including subsequent undergraduate years, graduate and professional schools, and even less-than-half-time study.

For further information on these income tax credits, access the Internal Revenue Service's web site at **http://www.irs.ustreas.gov**



National and community service

AmeriCorps, a program of national and community service, provides full-time education awards of up to $4,725 a year. Individuals may work before, during, or after their postsecondary education and can use the funds either to pay current or future education expenses or to repay federal student loans. In most cases, participants must be at least 18, be high school graduates, have GEDs, or be working toward their GEDs. For more information, students may call **1-800-942-2677** or write to

The Corporation for National Service
1201 New York Avenue, NW
Washington, DC 20525

Or students may access the corporation's web site at **http://www.americorps.org**

Job training

The U.S. Department of Labor administers the Workforce Investment Act (WIA) – formerly the Job Training and Partnership Act – through the states. Training funds vary from state to state. In most cases, the states provide funding for job training and sometimes also provide a transportation allowance for students. For information on WIA, students can contact their state employment agency. They may also access **http://usworkforce.org**

Health professions

The U.S. Department of Health and Human Services (HHS) administers several programs for undergraduate students. Students interested in these programs should contact the financial aid office of the school they plan to attend. HHS also administers a number of programs for graduate students in medicine. For more information on financial aid programs administered by HHS, students may call **1-301-443-4776** or access **http://www.hrsa.dhhs.gov/bhpr/dsa/dsa.htm**

Veterans benefits

The Montgomery GI Bill–Active Duty Educational Assistance Program offers education benefits for students who entered active duty for the first time after June 30, 1985 and served continuously on active duty for three years. (Students with only two years of active duty also may be eligible under certain conditions.) Students also must have their

military pay reduced by $100 a month for the first twelve months of active duty and must obtain a high school diploma or equivalency certificate before the first period of active duty ends. More information about this program is in the pamphlet, *Summary of Educational Benefits Under the Montgomery GI Bill–Active Duty Educational Assistance Program.* This pamphlet is available from the U.S. Department of Veterans Affairs (VA) or at **http://www.va.gov/education/c30pam.htm**

The Montgomery GI Bill–Selected Reserve is a program of education benefits for reservists of the armed forces as well as the Army National Guard and the Air National Guard. To be eligible for this program, a reservist must have a six-year obligation to serve in the Selected Reserve, complete Initial Active Duty for Training (IADT), receive a high school diploma or its equivalent before completing IADT, and remain in good standing in a drilling unit of the Selected Reserve.

Students may qualify for benefits from the Survivors' and Dependents' Educational Assistance Program if they are spouses or children of

- veterans who died or are permanently and totally disabled as the result of a service-connected disability arising from active service in the armed forces;
- veterans who died from any cause while rated permanently and totally disabled from their service-connected disability;
- service persons missing in action or captured in the line of duty by a hostile force; or
- service persons forcibly detained or interned in the line of duty by a foreign government or power.

Benefits may be awarded to pursue associate, bachelor's, or graduate degrees in VA-approved programs. Courses leading to a certificate or diploma from a business, technical, or vocational school may also be taken (again, the student should make sure the program is approved).

For further information on the Montgomery GI Bill and other veterans benefits, students should call **1-888-442-4551** or access the Veterans Affairs web site at **http://www.va.gov/education**

Other assistance from the military

Reserve officer training military scholarships are available through the Army, Air Force, and Navy. Military scholarship recipients will have a service obligation in either the reserves or active duty after graduating from college. **Appendix C** provides information for high school students about the Army Reserve Officer Training Corps (ROTC), Air Force Reserve Officer Training Corps (AFROTC), and the Naval Reserve Officer Training Corps (NROTC). Feel free to photocopy and distribute this information.

Active duty military service also offers numerous programs to help enlisted members earn or pay for a college degree, either while on active duty or after they have completed their enlistment. For further information about these programs, students should contact a local U.S. Armed Forces recruiter.

Students who borrow federal student loans may be interested in repayment assistance from the U.S. Army's Loan Repayment Program. For a four-year enlistment in a selected skill in the Active Army, up to $65,000 in repayment assistance may be available. For an enlistment in the Army reserve, up to $20,000 may be available. For more information, students should contact a recruiting officer.

Another option available to students is admission to one of the service academies: the U.S. Military Academy, the U.S. Naval Academy, the U.S. Air Force Academy, and the U.S. Coast Guard Academy. To apply to a service academy, a student must meet the academic, physical, and medical requirements specified by each academy's admission standards and obtain a written nomination from a member of Congress. Web sites for the service academies are listed below:

U.S. Military Academy
http://www.usma.edu

U.S. Naval Academy
http://www.nadn.navy.mil

U.S. Air Force Academy
http://www.usafa.af.mil

U.S. Coast Guard Academy
http://www.cga.edu

Nonfederal sources: state, private, school

Students should contact their state agencies for information about state programs (see **Appendix B**). A student might also qualify for a private grant or scholarship for academic achievement, religious affiliation, ethnic or racial heritage, community activities, artistic talents, leadership potential, athletic ability, proposed field of study, or hobbies and special interests.

The American Legion offers an inexpensive guide to private sources of aid called *Need a Lift?* (see **Appendix A** for ordering information). Other books about financial aid usually are available through a school library or public library. In addition, many postsecondary schools can tell you about institutional and local sources of student financial aid.

Note: Students can get free scholarship and search services information at
http://www.finaid.org
and at
http://college-scholarships.com/100college.htm

Computerized scholarship search services match a prospective student with sources of financial aid. Some postsecondary schools provide these services free or at low cost. There are also many privately operated scholarship search services; these services tend to be relatively expensive, so a student or parent should consider the extent of the search being offered before committing to such a service. More than 75 percent of all aid awarded comes from federal and state programs that students can easily find out about through *Funding Your Education*, other free publications, and web sites.

Each year, ED receives numerous complaints from students and parents who did not receive the information they expected from a search service. Although ED does not evaluate private search services, the "Looking for Student Aid" brochure provides some helpful guidelines for students considering using a search service. A sample handout in **Appendix C** lists some questionable tactics students should be aware of.

Students can receive a free copy of "Looking for Student Aid" from the FSAIC. The text is also available at **http://www.ed.gov/prog_info/SFA/LSA**

A student considering using a search service can check its reputation by contacting

- their local Better Business Bureau. Local offices are listed in the phone book; alternatively, students can search for offices at **http://www.bbb.com**

- the Federal Trade Commission's Freedom of Information Branch at

  Freedom of Information Act Request
  FOIA Branch, Office of General Counsel
  Federal Trade Commission
  6th Street and Pennsylvania Avenue, NW
  Washington, DC 20580

  Fax: 1-202-326-2477
  E-mail: foia@ftc.gov
  (Telephone inquiries are not accepted.)

- the U.S. Postal Inspection Service Mail Fraud Unit's toll-free number, **1-800-372-8347** (9:00 a.m. to 7:30 p.m. eastern time). The student should listen to the menu and select the appropriate option for the state in which the service is located, not for the state from which the student is calling.

- a state attorney general's office (which will be listed in the State Government section of the phone book).

General eligibility requirements

Eligibility for federal student financial aid programs is based on financial need rather than on academic achievement. To have his or her financial need determined, a student must complete and file a Free Application for Federal Student Aid (FAFSA). Part 3 of this handbook discusses the correct completion of the FAFSA.

Additionally, to be eligible for federal student financial aid program funds, a student must

- have a high school diploma or a GED, receive a passing score on an independently administered examination approved by ED, or have received a secondary school education in a home school which was treated as a home school or private school under state law;
- enroll as a regular student in an eligible degree or certificate program;
- be a U.S. citizen or eligible noncitizen;
- have a valid Social Security Number (with the exception of students from the Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau);
- make satisfactory academic progress; and
- sign certifying statements on the FAFSA such as agreeing to use federal financial aid funds only for educational expenses.
- be enrolled at least half time to be eligible for Direct Loan or FFEL Program funds.

Note: This is not a comprehensive list of eligibility requirements.

In the past, male students were required to sign a Statement of Registration Status (for Selective Service registration). This statement is no longer required. However, students who must register for the Selective Service may use the FAFSA to do so; one of the questions on the FAFSA (number 30) asks a male applicant if he wants the Selective Service to register him. Students can call the Selective Service toll free at **1-888-655-1825** for general information about registering or access **http://www.sss.gov**

Note: Male students can register with the Selective Service online at http://www.sss.gov

A new law suspends aid eligibility for students convicted of the sale or possession of drugs. If a student has been convicted of drug possession, the student will be ineligible for one year from the date of a first conviction, two years after a second conviction, and indefinitely after a third conviction. If the student has been convicted for selling drugs, he or she will be ineligible for two years from the date of a first conviction and indefinitely after a second conviction. A student who successfully completes an acceptable drug rehabilitation program can regain eligibility (or can become eligible) earlier.

The new law will be implemented on July 1, 2000. However, a conviction prior to that date could still affect a student's eligibility. For example, if a student is convicted for the first time for drug possession on February 1, 2000, the student will be ineligible for federal student aid from July 1, 2000 (the implementation date of the law) through January 31, 2001 (one year from the date of the conviction). Instructions on the FAFSA direct the student to the FSAIC or to a worksheet on the Internet to help the student to determine eligibility under this law.

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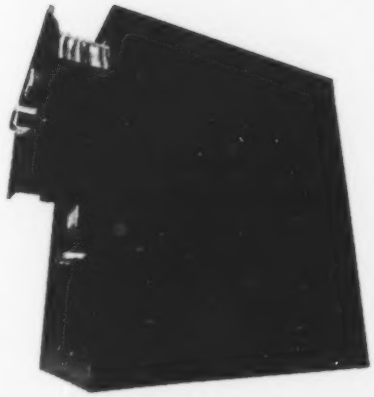
You should remind your students that a conviction some time in the past does not automatically mean ineligibility for federal aid. Even if a student is ineligible for federal student aid for the current award year, he or she should complete the FAFSA because he or she might be eligible for nonfederal aid from states and private institutions. A student who regains eligibility during the award year should immediately notify the financial aid administrator at his or her school. A student who is convicted of a drug-related offense after submitting the FAFSA may lose eligibility for federal student aid and may be liable for returning any financial aid received during a period of ineligibility.



Demonstrating need

As we've said, a student must demonstrate financial need to be eligible for most federal student aid. At its simplest level, a student's financial need is the difference between the student's cost of attendance at the school and the amount the family is expected to contribute to the student's education.

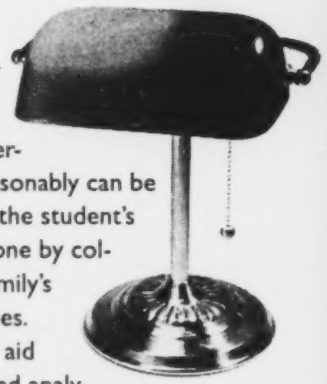
Cost of attendance

The financial aid administrator at a school usually develops an average cost of attendance for different categories of students. Some programs of study might have lab fees or higher charges for books and supplies than other programs. Students living off campus might have higher costs for room and board and transportation expenses than students living on campus.

For the federal student financial aid programs, the financial aid administrator must use the definition of "cost of attendance" given in the law when determining what expenses to include. The law specifies that the cost of attendance includes tuition and fees and an allowance for living expenses, such as room and board, books and supplies, miscellaneous personal expenses (including a reasonable allowance for renting or purchasing a personal computer), and transportation costs. The law also provides limited allowances for loan fees, dependent-care costs, and expenses for disabled students.

Note: Many high school students (and their parents) don't immediately understand that the definition of "cost of attendance" includes more than just tuition. *Funding Your Education* explains the concept in the section titled "Eligibility Criteria."

Need analysis



The process of analyzing a student's financial need, known as need analysis, focuses on determining how much the family reasonably can be expected to contribute toward the student's education. Traditionally, this is done by collecting information about the family's income, assets, and living expenses. For the federal student financial aid programs, the law specifies a need analysis formula that produces the Expected Family Contribution (EFC). The EFC is used with the cost of attendance to award Federal Pell Grants, campus-based aid, and subsidized loans.

Calculating the EFC

For an EFC calculation, a student must complete and file the *Free Application for Federal Student Aid* (FAFSA). Unlike college admissions applications, the FAFSA is sent to an ED processing center, rather than directly to a college. The student's information is entered into ED's computer system, which then calculates the student's official EFC. The application process for financial aid is described in Part 2 of this handbook, and completing the FAFSA is discussed in Part 3 of this handbook.

Note: An EFC Estimator feature is available to students who apply using *FAFSA Express* or *FAFSA on the Web*. These applications can be found at http://www.fafsa.ed.gov

Determining the Federal Pell Grant amount

To determine the amount of a student's Federal Pell Grant, the financial aid administrator considers the cost of attendance, the EFC, and other factors.

- The lower the EFC is (the less money the family is able to pay for school), the higher the grant award is; a student with a zero EFC—no family contribution is expected—has the most need and may be eligible to receive the largest possible Federal Pell Grant award.
- The maximum Pell-eligible EFC for 2000–2001 is 3100.

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How aid is awarded

The Federal Pell Grant Program is considered the first source of aid to a student so the award amount is not affected by other aid the student receives. For 2000–2001, the maximum yearly grant is $3,300.

Also note that awards do not change above a certain cost of attendance. For instance, in 2000–2001, if a student has a zero EFC, the student's award is $3,300 if the student goes to a school that has a cost of attendance of $3,300 or higher.

A student who is attending two different postsecondary schools during the same enrollment period must notify the financial aid administrators at both schools. The student may not receive Pell Grants at both schools.

When awarding campus-based aid or subsidized loans, the financial aid administrator must consider other aid available to the student in addition to the EFC.

- For example, consider a student with an EFC of 500 who enrolls in a program that costs $6,000.
  - The student then needs $5,500 in financial aid to go to school ($6,000 - $500 = $5,500).
  - However, when the student receives a $2,850 Federal Pell Grant and a $1,000 outside scholarship, the student's need is reduced by $3,850.
  - Therefore, the aid administrator can award up to $1,650 (the remaining need) in the form of campus-based aid and a subsidized Federal Stafford Loan ($5,500 - $3,850 = $1,650).

When processing unsubsidized Federal Stafford Loans or Federal PLUS Loans, the aid administrator doesn't use the EFC to determine the student's or parent's eligibility because these loans are not need based.

- The amount of the loan may not exceed the difference between the student's cost of attendance and all other aid the student is receiving, including aid from private and other nonfederal sources.
- The school must consider the student's eligibility for other aid before determining a loan amount.
  - For instance, if an independent student in his or her first year of study in 2000–2001 has a cost of attendance of $7,000 and is eligible for a maximum Federal Pell Grant of $3,300 and a maximum subsidized Federal Stafford Loan of $2,625, the aid administrator can approve the student for an unsubsidized Federal Stafford Loan of up to $1,075 ($7,000 - $3,300 - $2,625 = $1,075).

As we have seen, federal student aid awards ultimately are made on the basis of the student's EFC. It is important to note that even though eligibility for unsubsidized loans is not based on the student's EFC, the student's eligibility for financial aid awarded on the basis of the EFC is considered when awarding these loans.

Financial aid package

Using all available federal and nonfederal aid, the financial aid administrator puts together a financial aid package that comes as close as possible to meeting the student's demonstrated need; because funds for all programs are limited, however, the amount awarded can sometimes be less than the amount for which the student is eligible. The financial aid package usually is presented to the student in an award letter.

Note: The student may accept or decline any of the financial aid offered. Students often have questions about the financial aid package; these questions are best handled at the postsecondary school. ED does not regulate how postsecondary schools package aid, as long as it is done consistently.

Loan default and choice of school

In recent years, increasing attention has been given to default rates for federal student loan programs. Studies show that many borrowers are unable to pay back their student loans because they withdrew from their educational programs or were unable to find good jobs after they graduated. The choice of an educational program and a school are critical in helping students prepare for gainful employment.

Students who are seeking career training should be advised to consider the following questions before enrolling at any school.

Are opportunities in the career field stable or expanding?

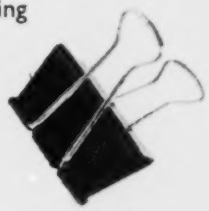
Some careers are relatively stable, such as computer programming, computer systems analysis, accounting, or teaching. Others fluctuate with the economy and changes in technology. For information on career fields, students might want to read several publications published by the U.S. Department of Labor.

- *Occupational Outlook Handbook* is an encyclopedia of careers describing in detail approximately 250 occupations. Each description includes information on the nature of the work, working conditions, employment, training needed, job outlook, earnings, related occupations, and sources of additional information. The next edition is due to be published in the spring or summer of 2000. Prices for the 1998-99 edition: Soft cover, $44; hard cover, $46; CD-ROM, $28.

- *Occupational Projections and Training Data* is an annual supplement to the *Occupational Outlook Handbook*, providing statistical and technical data that support the data in the handbook. It also includes rankings of approximately 500 occupations by factors such as employment growth, earnings, and susceptibility to unemployment. 1998 edition: $6.50.

- *Occupational Outlook Quarterly* is a quarterly publication containing articles on specific occupations, general trends in the labor market, and other topics. The publication is designed to give practical information about choosing and getting jobs. Single copies are free (limited supplies); annual subscription $9.50.

If your school library doesn't already have these publications, it can order them by calling **1-312-353-1880** or by writing to



U.S. Department of Labor
Bureau of Labor Statistics
Publication Sales Center
P.O. Box 2145
Chicago, Illinois 60690

Checks should be made out to Superintendent of Documents.

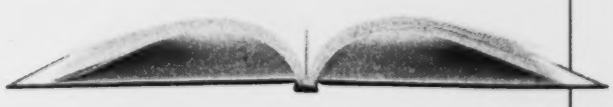
The publications are also available on or can be ordered on the Bureau of Labor Statistics web site at **http://stats.bls.gov/opbhome.htm**

A free online search is available at **http://stats.bls.gov/ocohome.htm**

Students might also want to check the magazine section of the school library or public library for trade and professional magazines and journals that have articles about jobs and training in specific career areas.

Is the career compatible with the student's aptitude and interests?

A school can be very good but not meet a particular student's specific needs. The type of career a student wants will directly influence the type of postsecondary education he or she will need to pursue (a two-year program, four-year program, or a career/vocational program). Many colleges use admissions tests to measure a student's aptitude. The most familiar college admissions tests are the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT), the SAT, and the ACT. Students generally take these tests during their junior or senior years of high school.



Does a school have a good reputation for educating and placing its students?

Students should check with the local Better Business Bureau, state higher education agency, or consumer-protection division of their state attorney general's office to find out if problems have been reported at the schools they are considering. (The Better Business Bureau will have information primarily on vocational schools.) The FSAIC has the most recent default rates for schools. These rates can indicate the success of the schools' students; a high default rate may be a sign that a school's graduates are having difficulty finding good-paying jobs. In addition, a default rate greater than 25 percent may eventually jeopardize a school's eligibility to award federal loans and grants.

A student can also ask a school representative for the names of the school's accrediting and licensing organizations, which are able to provide information about the school. Prospective students have the right to ask for a copy of the documents describing a school's accreditation and licensing. If a school is accredited, an approved private educational agency or association has evaluated it and found it meets certain minimum requirements that the agency set. A student can also ask employers who hire in the student's intended field for their opinion of the school's program.

How many of a school's students graduate and find employment in the career for which they trained?

Students should also ask about a school's graduation rate. If a high number of students drop out, it could mean they weren't satisfied with the education they received. It's also a good idea for interested students to talk to recent graduates about a school's courses, average class size, instructors, the quality of facilities and equipment, and the earning potential for graduates. Also, if a school provides residence facilities, students should find out whether it's possible to inspect them.

Students should comparison-shop before signing an enrollment contract. If there are several schools offering a particular educational program in the area, a student should visit at least two of the schools before making a decision.

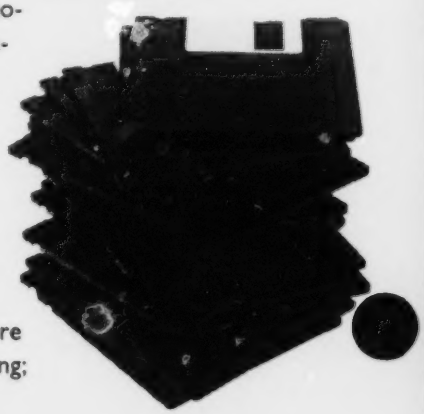
If a school advertises or tells prospective students that it has a successful job-placement program, it must be able to provide statistics, on request, which support that claim. Even if a school doesn't make job-placement claims, it doesn't hurt to ask the school about its graduation rate and job-placement rate. Students should find out if the program the school offers is necessary to get the type of job they want or if employers in that field provide on-the-job training.

In addition, if a school advertises its job-placement rates, it must also advise students of any applicable state licensing requirements for the specific jobs for which students are trained. Students should determine whether the course topics for their programs relate to state requirements or other professional certification requirements.

What are a school's administrative and academic policies?

For example, what is the school's refund policy? A school must provide this policy, in writing, to current and prospective students. The policy should explain what happens if a student registers for classes but never attends any or drops out of school within a short time after he or she starts. If the student receives any federal student aid and a refund is made, some or all of the money will be returned to the aid programs or to the lender for the loans. Even if students don't finish their educational programs, they must repay whatever loans they received, minus the amount that was refunded to the lender.

Students should find out about a school's academic policies, such as the requirements for graduation and maintaining eligibility for financial aid. These policies are often grouped together as a "satisfactory academic progress (SAP) policy."



What types of financial aid does a school offer?

Students should find out what types of financial aid are available at schools where they are interested in applying;

they should ask for information on all federal, state, local, private, and school financial aid programs. A student should also ask which financial aid programs are available for the educational programs he or she is interested in. Not all educational programs at a school may be eligible for all aid programs.

- ED uses specific legislative and regulatory criteria to determine whether a school and all of its educational programs are eligible for federal student aid programs.

- A school's eligibility to participate in ED's student aid programs is not an indication that ED has endorsed the quality of the education the school offers. ED does not approve a school's curriculum, policies, or administrative practices, except those relating to federal student aid programs.

Students should ask

- What federal student aid programs does the school participate in?

- How does the school select financial aid recipients?

- What are the school's application procedures and deadlines?

- How and when does the school deliver financial aid to its students?

- What are the interest rates and other terms of any student loans?

- What are the operating hours of the school's financial aid office?

It is up to the student to check out a school.

What can be learned from a visit to a school?

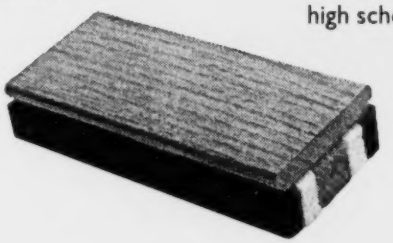
A good test of any school is how a student feels about it after a visit. Students should consider making an appointment to visit a school while classes are in session. This will give students a chance to attend classes and talk with other students in the program they are interested in.

An important point to consider: Do the people at the school seem to want to help students learn and plan for their futures?

A student should decide whether the school is a place he or she wants to be at least five days a week for the next six months to several years.

Schools' responsibilities

The Campus Security Act of 1990 requires a school to compile an annual campus security report. Each year, the school must publish and distribute the report to all current students and provide it upon request to all prospective students.

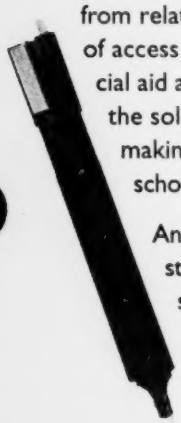


The Student Right-to-Know Act requires schools to disclose information about graduation rates to current and prospective students. The regulations also require schools that participate in federal student financial aid programs and offer athletically related student aid to provide information on completion rates, transfer-out rates, and other consumer information to potential student-athletes, their parents, high school coaches, and guidance counselors.

Opportunities for Disadvantaged Students

In recent years, increasing attention has been given to "at-risk" students—certain students who have the aptitude for postsecondary education but who tend not to continue their studies beyond high school or to drop out before completing high school.

Despite the significant amount of need-based aid available for high school students to continue their education, recent studies show that students and parents from low-income families are less likely to be informed about student financial aid than those from relatively well-off families. Clearly, the problem of access cannot be solved solely by making financial aid available to disadvantaged students. Rather, the solution depends on establishing goals and making choices long before the last year of high school.



An important school responsibility is to help students make the transition from secondary school to college or work. This handbook offers suggestions for addressing a critical problem—misinformation and lack of information about postsecondary options and financial aid.

Myths about financial aid

1. There isn't enough financial aid for students like me.

Many students and parents have the impression that the budget for the federal student aid programs has been severely reduced. In fact, funding for these programs has grown steadily. Federal student aid programs alone provided roughly $48.5 billion in grants, loans, and work-study assistance to more than 8.5 million people in 1998-99. While it's true that even this much aid cannot meet the full financial need of all students, students with the greatest financial need have the best chance of receiving assistance.

2. Only students with good grades get financial aid.

Many students think that financial aid is awarded on the basis of grades. While a high grade point average will help a student get into a good school and may help with academic scholarships, most of the federal student aid programs do not take a student's grades into consideration. Provided a student maintains satisfactory academic progress in his or her program of study, federal student aid will help a student with an average academic record complete his or her education.

3. You have to be a minority to get financial aid.

Funds from federal student aid programs are awarded on the basis of financial need. These funds are NOT awarded on the basis of minority status. The FAFSA—the financial aid application for these programs—doesn't even collect this kind of information about an applicant.

4. Millions of dollars in scholarships go unclaimed/unawarded each year, so I'll get some of that money. I won't need government help.

Most of the money referred to in such statistics is offered by corporations to their employees' children or by organizations to their members' children. While it is well worth researching nonfederal scholarships and grants, the truth is that the majority of student aid awarded comes from the federal government. Therefore, filling out a FAFSA is an important first step for any student. Students should also remember that some states and institutions award aid based on the information reported on the FAFSA.

A sample handout is available in Appendix C to give to students.

Realities about postsecondary education and financial aid

The truth about postsecondary education and federal financial aid is that both are possible for most students. School counselors can help get this message across by emphasizing the following points to students:

1. Stay in school.

Studies show that a person with education beyond high school earns more money in his or her lifetime than someone with only a high school diploma. The job market for noncollege graduates or those with no technical training is much more limited.

2. Aid is available.

Encourage students to apply for aid—counselors can help to demystify the process by involving parents whenever possible. Although poor academic performance in high school and on standardized tests is generally the most serious obstacle to expanding access to college, financial aid can effectively reduce any economic barriers that exist. Federal, state, private, and school aid should all be explored.

3. Not everyone goes to postsecondary school the same way.

Sometimes high school students assume that further schooling means four years of full-time study at a residential college. Not so. Today students can choose from a wide range of postsecondary options, including six-month programs at career schools and two-year degree programs at community and junior colleges within commuting distance, as well as the traditional four-year programs at colleges and universities. Part-time, full-time, evening, and day classes—the choices are many and varied.

Reaching "at-risk" students

Many high schools, postsecondary schools, private organizations, and government agencies have cooperated in developing early-intervention programs for students who otherwise might not go to college. The following list of suggestions is drawn from some of these programs. You can find out more about these early-intervention programs from the sources listed beginning on page 19.

Establish a timetable of age-sequenced activities.

Studies show that the earlier and more often at-risk students are reached, the better they understand the choices they can make. Many fifth, sixth, seventh, eighth, and ninth graders are already forming career aspirations and need guidance in making decisions about high school courses. Tenth, eleventh, and twelfth graders should be

- looking at the choices for postsecondary education,
- discussing their financial situation with parents and counselors,
- participating in pre-college summer programs, if available,
- taking the SAT or ACT,
- applying for aid, and
- selecting a school.

Note: Encourage all students to take the SAT or ACT and apply for federal financial aid, even if they do not plan to enroll in a college or vocational program immediately after high school.

Involve parents as well as students.

Parents need to understand not only college admissions requirements and the rudiments of student financial aid, but also the high school courses needed to pursue postsecondary options. Information on financial planning and how to gather and use information about postsecondary options is necessary for all parents, but it is most important for parents who have no postsecondary experience themselves. To reach working parents of "at-risk" students, arrange for evening or weekend information sessions at convenient locations, such as neighborhood centers and places of worship.

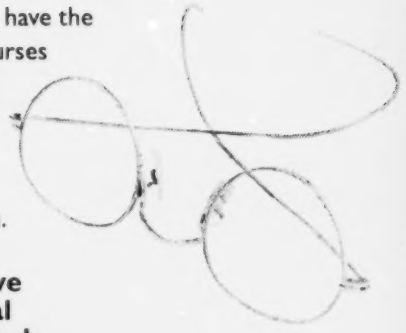
Establish a tutoring and/or mentoring program.

Setting up a tutoring and/or mentoring program in your school using local college students can be very

valuable. An ED study identified more than 1,700 tutoring and mentoring programs operating in 921 colleges and universities involving partnerships with elementary and secondary schools. These projects have shown positive effects not only on the test scores, grades, and overall academic performance of the tutored students, but also on the students' self-esteem and self-confidence. The college or university participating in the tutoring/mentoring program may be able to pay its student tutors and mentors through the Federal Work-Study (FWS) Program.

Provide firsthand information.
There are many approaches to helping students visualize the idea of postsecondary education. Visiting an actual campus is probably the most effective way for students to get a feel for the college experience. However, there are numerous other methods of providing informative and motivational experiences, such as arranging attendance at college fairs or meetings with college admissions representatives, organizing parents for tours of campuses, and inviting recent college graduates to talk to students. Some schools now provide Internet and/or video tours that can be used by students who can't visit the campus. Students need to discuss the things that are keys to success in postsecondary education, such as planning to meet off-campus expenses and allowing enough time for studying. Students' fears and unrealistic expectations can be overwhelming, especially for those who are first-generation college students. So, it's also good for high school students to meet with first-generation college students who are making it or have made it through school.

Provide academic counseling.
The heart of early intervention is academic preparation and proper course selection. Studies show that many students who might be admitted to postsecondary schools are not taking courses at the high school level that would prepare them to do so. Students should be counseled, regardless of their postsecondary plans, to pursue a challenging program of study in high school. Even those students who don't go on to college or career training immediately after high school might change their minds later on. It's also a good idea for high school counselors to work with middle school counselors to ensure that students have the opportunity to take courses that will prepare them for postsecondary education. It's all part of helping students keep their options open.



Develop cooperative programs with local postsecondary schools.
In some areas, secondary schools and neighboring colleges encourage students to stay in school and plan ahead by offering them financial incentives. For instance, high school students in one locality are encouraged to sign a contract in which they promise to take certain preparatory courses, attend school regularly, and make good grades. A student who fulfills the contract doesn't have to pay tuition and fees at the local community college.

Early-intervention programs

If your school does not already participate in one of ED's TRIO programs, you might want to research whether it would be possible to do so. Established in 1965, the primary purpose of the TRIO programs is to prepare disadvantaged students for successful entry into, retention in, and completion of postsecondary education. Among the TRIO programs are

- **Upward Bound**—aims to increase the rates at which participants enroll in and graduate from institutions of postsecondary education. Projects provide instruction in math, laboratory science, composition, literature, and foreign languages. Other services include academic, financial, or personal counseling; mentoring programs; and assistance in preparing for college entrance exams. Upward Bound serves high school students from low-income families and high school students from families in which neither parent holds a bachelor's degree (i.e., potential "first-generation" college students).

- **Talent Search**—aims to increase the number of youth from disadvantaged backgrounds who complete high school and enroll in the

postsecondary education institution of their choice. The program provides academic, career, and financial counseling to its participants; its services include tutorial services, assistance in completing college admissions and financial aid applications, and workshops for participants' families. Students must be between the ages of 11 and 27 and have completed the fifth grade. In any given project, two-thirds of the participants must be students who are low-income and potential first-generation college students.

- **Student Support Services (SSS)**—aims to increase the college retention and graduation rates of its participants. SSS provides services such as instruction in basic study skills; tutorial services; assistance in securing admission and financial aid for enrollment in graduate and professional programs; and special services for students with limited English proficiency. SSS participants must be enrolled or accepted for enrollment in a program of postsecondary education at a grantee institution. Only potential first-generation college students, low-income students, and students with disabilities evidencing academic need are eligible to participate.

For additional information on the TRIO programs, contact

TRIO Programs
Higher Education Programs
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202-5249

E-mail: OPE_TRIO@ed.gov
Web site: http://www.ed.gov/offices/OPE/HEP

The Council for Opportunity in Education sponsors another web site for the TRIO programs at **http://www.trioprograms.org**

Another early-intervention initiative administered by ED is called Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). Created in the higher Education Amendments of 1998, GEAR UP is designed to encourage low-income students to have high expectations, stay in school, study hard, and take the right courses to prepare for college. Usually an entire class of students—who must not be beyond seventh grade when they enter the project—will be targeted. The program awards grants on a competitive basis to states and to partnerships. The partnerships must consist of colleges, low-income schools (usually middle or junior high schools), and at least two other partners such as community organizations, businesses, or religious groups.

GEAR UP has two major components: (1) the Early Intervention Component, under which a GEAR UP project provides early college preparation and awareness activities to participating students through comprehensive mentoring, counseling, outreach, and other supportive services; and (2) the Scholarship Component, under which a GEAR UP project establishes or maintains a financial assistance program that awards scholarships to participating students. Partnership projects must provide early college preparation and awareness activities, and they are encouraged to provide college scholarships, although they are not required to do so. State projects must provide both early college preparation and awareness activities *and* scholarships for participating students. For further information about GEAR UP, see **http://www.ed.gov/gearup** or call **1-202-502-7676.**

A wide range of private programs that guarantee college tuition have been established in recent years and may be available for your students. The U.S. General Accounting Office (GAO) identified four main types of programs in its 1990 report "Promising Practice: Private Programs Guaranteeing Student Aid for Higher Education":

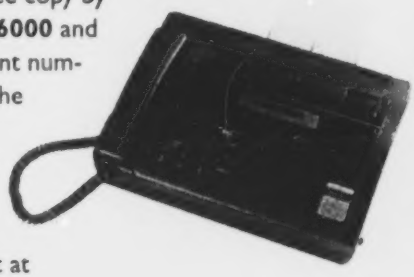
- **Sponsorship programs,** begun either by individuals or organizations, promise tuition for postsecondary education to students who are successful during their kindergarten through high school years. The programs often target elementary school students and provide extensive support services throughout their school years.

- **"Last-dollar" programs** help high school students apply for student aid and promise to make up the difference between the aid received and the cost of attendance.

- **University-based programs** may guarantee students admission and tuition at a particular institution and also offer mentoring and other services while selected or volunteer students complete high school. (A few universities are required by the donor to guarantee tuition at other schools besides the host school.)

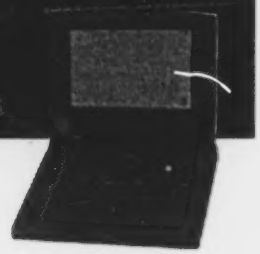
- **"Pay-for-grades" programs** typically offer tuition reduction in exchange for high grades. Because they offer few support services to students, GAO concluded that these programs appeared least likely to affect disadvantaged youths' college attendance rates.

If you would like to order the GAO report, you may receive one free copy by calling **1-202-512-6000** and requesting document number PEMD-90-16. The GAO order fax number is **1-202-512-6061.** You can also order via the Internet at **http://www.gao.gov**



Part TWO

Application Process For Financial Aid



Federal law requires ED to ensure that students can apply for federal aid without paying a fee. To be considered for most of the federal student aid programs (such as Federal Pell Grants, Federal Direct Stafford Loans, and Federal Stafford Loans), a student must complete and submit the *Free Application for Federal Student Aid* (FAFSA). This application (available in English or Spanish) collects financial and other information used to calculate the Expected Family Contribution (EFC), which postsecondary schools use to determine the student's eligibility for aid.

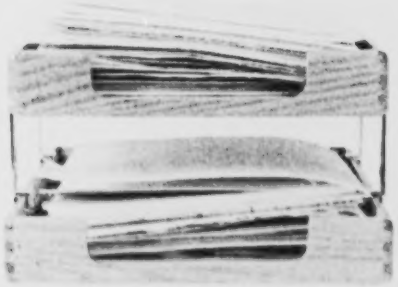
FAFSA data are transmitted electronically to ED's Central Processing System (CPS) when a student completes an electronic application. When a student completes a paper application, FAFSA processors input the FAFSA data and send that data to the CPS. The CPS uses this information to calculate the EFC and produce an output document reporting that EFC. The student will receive the output document (either a *Student Aid Report*—SAR—or a *SAR Information Acknowledgement*) from the CPS within one to four weeks of submitting the FAFSA, depending on the type of FAFSA submitted.

Schools listed in Step 6 of a student's FAFSA automatically receive the student's information from the CPS. The schools receive the processed FAFSA in electronic form, in what is known as the *Institutional Student Information Record* (ISIR). Only schools listed (or added later) by the student receive the student's ISIR. Any other school must receive a SAR directly from the student or be given permission (by the student) to request the student's information from the central processor.

To find out whether a school participates in ED's student financial aid programs, a student can call the Federal Student Aid Information Center (FSAIC) at **1-800-4-FED-AID** (1-800-433-3243; TTY: **1-800-730-8913;** number for inquirers calling from foreign countries: **1-319-337-5665**) or search for the school on the federal school codes list at **http://www.fafsa.ed.gov** (click on "Entering A FAFSA Online" and then click on "Federal School Code Search").

Note: For a student to receive federal student aid, the school must receive an ISIR. If the school is not listed on the student's FAFSA, it will not receive an ISIR from the CPS and the student should either add the school or give the school permission to add itself.

ED's processing cycle for FAFSAs lasts 18 months. For the 2000-2001 award year, application processing begins January 1, 2000, and FAFSAs for that year will be accepted until July 2, 2001. Some schools have limited institutional-aid funds that are awarded on a "first-come, first-served" basis to eligible students. Because of this, it is important that students complete and submit the FAFSA as early as possible after January 1, 2000. Note that because January 1 is a Saturday, *FAFSA on the Web* and *FAFSA Express* will not be available until January 3, 2000.



How to apply

Students apply for federal student financial aid by completing the *Free Application for Federal Student Aid* (FAFSA), either electronically or on paper. Even if students are applying only for a federal loan, they must submit a FAFSA. To complete the FAFSA, students need copies of their Social Security cards, driver's licenses, income tax returns (and their parents' returns), Form(s) W-2, current bank statements, records of untaxed income (such as welfare benefits, Social Security, TANF, etc.), and records of any stocks, bonds, and other investments and assets.

A student does not have to pay a fee for submitting a FAFSA. To be considered for state or institutional aid, a student might be required to complete additional questions on a separate nonfederal form, and a fee might be charged for processing this additional information. Students should check with the schools to which they plan to apply and their state agencies to find out if aid applicants are required to submit additional data on nonfederal forms. Because many school and state deadlines are very early (many between January and April 2000), students and parents should fill out their tax forms and then the FAFSA as soon as possible. Those who are unable to complete tax forms early should estimate amounts and fill out the FAFSA accordingly.

Students must complete the FAFSA accurately. If a student submits a paper FAFSA, the document must be legible and mailed to the address specified in the FAFSA in time for it to be received by the deadline. The same deadlines apply if the student is filing the FAFSA electronically. (See page 35 for a complete list of deadlines.)

Note: Please caution students that there are NO EXCEPTIONS TO THE DEADLINES.

It is important to note, however, that states and schools often set earlier deadlines in awarding aid from some programs, including the campus-based programs (Federal Perkins Loans, Federal Supplemental Educational Opportunity Grants, and Federal Work-Study); for information on these deadlines, the student should check with schools he or she is applying to. The student must also keep in mind that eligibility does not continue year to year, and a FAFSA or Renewal FAFSA needs to be filed each year.

Note: BE SURE TO ADVISE STUDENTS TO READ THE FAFSA AND ITS NOTES CAREFULLY, particularly because most errors are caused by students making inaccurate assumptions about what information is being requested.

We cannot overemphasize how important it is that students read and follow the directions on the FAFSA to ensure that their applications are processed as quickly and accurately as possible. Oversights and careless errors on the application, such as providing incorrect Social Security Numbers (SSNs), cause processing delays. Such delays might cause students who are otherwise eligible to miss deadlines to qualify for aid.

It is also important for students to save all records and other materials used in completing the FAFSA (including photocopies of their completed FAFSAs) because they might need them later if either ED or their schools select them for a process called "verification" (see page 32). This means that the students will have to provide documentation (such as tax returns) to the school to show that what they reported on the aid application is correct.

Note: A student may not submit a 2000-2001 FAFSA for processing before January 1, 2000 (January 3, 2000 for electronic applications) or after July 2, 2001. Applications signed or sent outside this span of time will be returned to the student unprocessed with a letter explaining why the application was not processed.

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Students may apply for aid electronically through *FAFSA on the Web* or *FAFSA Express*, or they may submit a paper FAFSA. Additionally, some schools will submit application data for the student using software called EDExpress. **Note that all of these application methods are free.**

A student needs to complete the FAFSA only once each year, in whichever form is most convenient. After the first year, a student may complete the shorter Renewal FAFSA.

Students can check on the processing status of their FAFSAs or any corrections they've made by calling **1-800-4-FED-AID** (1-800-433-3243), pressing Feature #1, and answering questions asked by an automated system. TTY users (who call **1-800-730-8913**) will be connected to an operator rather than to an automated system. Students calling from a foreign country might not have access to the toll-free number; they can call **1-319-337-5665.** Alternatively, a student who has a PIN can check the status of the application at **http://www.fafsa.ed.gov**

NEW

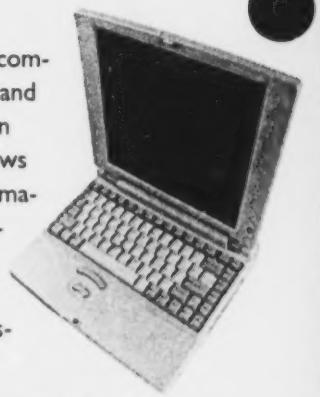
An applicant whose Social Security Number, name, and date of birth are confirmed by the Social Security Administration at the CPS's request will receive an identification number called a PIN from the CPS in a mailing separate from the SAR. (The PIN was formerly called the Electronic Access Code.) The PIN can then be used as an electronic signature if the student applies again in subsequent years or if the student makes corrections electronically using *Corrections on the Web* (see page 33). Beginning in 2000-2001, parents also can apply for PINs to use as electronic signatures. Both students and parents can request a PIN at **http://pin.ed.gov**

The student should keep his or her PIN in a safe place; it is used to access personal information and as an electronic signature.

It is a good idea for the student to create a financial aid folder in which to keep copies of FAFSAs, SARs, PINs, award letters from schools, loan promissory notes, etc.

Electronic application methods

FAFSA on the Web



FAFSA on the Web allows students to complete their FAFSA applications faster and more easily than any other application method. This Internet application allows students to submit their FAFSA information directly to ED's Central Processing System (CPS). One advantage of *FAFSA on the Web* is the detailed online help accessible from each question or from a general help button.

The CPS determines eligibility for financial aid and sends an *Institutional Student Information Record* (ISIR) to the listed schools within 72 hours after receiving a completed application and signature. The signature can take the form of an electronic signature—available for applicants who have requested one electronically or those who have filed through *FAFSA on the Web* before (see information about PINs above)—or a paper signature page the applicant has printed from the site, signed, and mailed to the CPS. Meanwhile, the student has instant access to an estimation of his or her Expected Family Contribution (EFC) through *FAFSA on the Web*. **It is important to note that *FAFSA on the Web* provides only an estimate; the official EFC will be sent to the student in the mail.** The address for *FAFSA on the Web* is **http://www.fafsa.ed.gov**

Note that to protect the student's private data, *FAFSA on the Web* requires the use of certain approved browsers. The *FAFSA on the Web* site lists the currently approved browsers. Because many students and schools already have the appropriate browser, this method might be the easiest way for students to apply electronically. If a student or school has a newer version of a browser than that listed on the web site, the student will still be able to use *FAFSA on the Web*.

NEW

There are two application formats. The original "interview" format presents questions a few at a time in sections, using "skip logic" so that students are asked only the questions that apply to them and skip those that don't. The new "form-based"

FAFSA follows the question order of the paper FAFSA and is most helpful for applicants who find it easier to complete the paper FAFSA first. This form uses skip logic to a lesser degree. Both formats have built-in edits to help students detect and correct any errors before submitting the data to the CPS. This feature significantly reduces the number of applications rejected by the CPS. (For comparison, approximately 12 percent of paper FAFSAs are rejected, while less than a half percent of electronic submissions are rejected.)

Students can use a floppy disk to save their application information. For more information about *FAFSA on the Web*, or for technical assistance, students may call **1-800-801-0576 (TTY: 1-800-511-5806)**.

Note: Based largely on feedback from students and counselors, ED has made a number of improvements to *FAFSA on the Web* for 2000-2001. We clarified the instructions for printing and submitting an application, as well as those for closing the web browser at the end of a session. We also added a new Pre-Application Worksheet, which students can print and use to collect financial information before they go online to submit a FAFSA.

To complete the process, a student either signs electronically using his or her PIN or prints, signs, and mails a signature page. If the student doesn't do either, he or she will receive a rejected SAR in the mail. The student must sign this rejected SAR and return it to the FAFSA processor.

Note: To verify that their *FAFSA on the Web* application was transmitted successfully, at http://www.fafsa.ed.gov students select "Check my submitted FAFSA."

The CPS processes the data and sends the school(s) an electronic report, the *Institutional Student Information Record* (ISIR); the student is sent a SAR and—if he or she does not already have one—a PIN.

Juniors in high school or other students who will not be attending college in 2000-2001 might be interested in a feature of *FAFSA on the Web* and *FAFSA Express* (see below) called "early analysis," through which the student submits an application to see what the results would have been. This allows the student and his or her parents to plan for when the student actually applies for aid. Furthermore, the student will receive a PIN and can use it to access *Renewal FAFSA on the Web* in subsequent years. *Renewal FAFSA on the Web* displays the information given by the applicant the previous year; the student simply updates information as necessary. The student will not need to print, sign, and mail a signature page because his or her PIN acts as an electronic signature. If a dependent student's parents request PINs beforehand, they too will be able to sign *Renewal FAFSA on the Web* electronically rather than mailing a signature page.

FAFSA Express

FAFSA Express allows students to apply electronically using an IBM-compatible computer with a Windows operating system and a modem. Like *FAFSA on the Web*, the *FAFSA Express* program automatically edits applicant answers, resulting in better, more accurate information and fewer applications rejected by the CPS. *FAFSA Express* also offers "early analysis" (see above).

- ✔ *Copies of FAFSA Express can be downloaded from* ***http://www.fafsa.ed.gov***
- ✔ *Copies of the 2000-2001 FAFSA Express program are available in libraries, postsecondary schools, and high schools.*
- ✔ *The program can be ordered (on floppy disk) by calling* ***1-800-801-0576 (TTY 1-800-511-5806);*** *technical assistance is also available at these numbers.*

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Note: A student who files using *FAFSA Express* can save his or her data to a diskette (separate from the diskette containing the *FAFSA Express* program); the student will not be able to save personal data to the computer's hard drive.

If the student does not have a PIN to use as an electronic signature, he or she prints, signs, and mails a signature page. (If the student does not print and mail a signature page, he or she will receive a rejected SAR in the mail. The student must sign this rejected SAR and return it to the FAFSA processor.)

The CPS then processes the data and sends the school(s) the ISIR; the student is sent a SAR.

EDExpress

Students also may file the FAFSA at a postsecondary school through ED's EDExpress software. To do so, a student completes a paper FAFSA and asks the school to enter the FAFSA information electronically. After reviewing the entered data, the school sends the information electronically to ED's CPS.

Note: Schools are not required to send student FAFSAs through EDExpress.

The CPS then processes the data and sends the school the ISIR; the student is sent a *SAR Information Acknowledgement*.

Paper application method

Students may complete a paper FAFSA (available in English or Spanish) and submit it for processing using the accompanying envelope. Photocopies or faxes of the FAFSA will not be accepted. Students should keep a photocopy of the completed form for their own records.

The applicant can mail the postcard that comes with the FAFSA. The processor will stamp the date the FAFSA is received and mail the postcard back.

Note: Applicants should send only the FAFSA itself (pages 3-6) and the enclosed postcard to the processor. They should not send copies of their tax returns, the worksheets on page 8 of the FAFSA, or any other documentation.

Advantages of electronic applications

FAFSA on the Web is the quickest and easiest method of applying; *FAFSA Express* offers many of these advantages as well:

- Pre-Application Worksheet helps students gather financial information
- detailed online help provides immediate answers
- "skip logic" asks students only questions that apply to them
- built-in edits detect errors and reduce number of rejected applications
- applicants have instant access to EFC estimate
- information is sent directly to CPS
- applicants can verify that information was transmitted successfully
- students who won't attend college next year can use "early analysis"
- SAR arrives within a week or two, compared to four weeks with paper FAFSA

The PIN offers the following options:

- applicant's electronic signature
- access to *Corrections on the Web* to add schools or correct or update information
- access to Renewal FAFSA
- access for request of duplicate copy of SAR
- parent signature

How the application is processed

The CPS analyzes the information from the FAFSA and calculates an EFC to determine how much a student and his or her parents can be expected to pay toward the student's postsecondary education. As discussed in Part 1, the EFC measures the family's financial strength on the basis of the income and assets of the student and the student's parents or, if the student is married, the student's spouse. The EFC formula also takes into account the family's expenses as they relate to the number of people in the household and how many of them will be attending college during the award year.

If the student's EFC is less than the cost of attendance, a student is considered to have financial need. A student with a zero EFC—meaning the family can contribute no money—may receive the maximum Federal Pell Grant award, depending on the student's cost of attendance and enrollment status. The higher the EFC—the more the family can contribute—the less the student's need. If the student's EFC is above a maximum number determined each award year by Congress, the student will not receive a Federal Pell Grant. (Please see Part 1, "Demonstrating Need.")

The CPS uses a series of edits to check the consistency of FAFSA information. For instance, it would be inconsistent for the dependent student of a single parent to report income earned from work for two parents. If the FAFSA data are inconsistent, the CPS may be unable to calculate the EFC or may calculate an EFC based on assumptions. If assumptions have been used, they are indicated on the student's SAR or *SAR Information Acknowledgement;* the student must make sure the assumptions are correct. The SAR and *SAR Information Acknowledgement* include instructions for making corrections.

If the student submits a second FAFSA for the same academic year, the CPS does not reprocess the data from the second FAFSA. The only items that may change as a result of filing a second FAFSA are the student's address and the schools the student lists. The student should consult the financial aid office before filing more than one FAFSA for the same academic year.

Data matches

In addition to checking the FAFSA data against predetermined edits, the CPS also performs several database matches. If discrepancies arise, the student's records are flagged and the student may not be eligible to receive federal aid unless the discrepancy is resolved. Resolving such a discrepancy usually requires the student to submit additional documentation to the school where he or she is applying. The SAR and *SAR Information Acknowledgement* include the appropriate instructions for the student.

Social Security Administration matches

The CPS matches FAFSA data against Social Security Administration (SSA) records to check the validity of a student's Social Security Number (SSN). If the SSN is invalid or is not in the database, the student will receive a rejected SAR, and a comment will appear instructing him or her to review the SSN. The student will also receive a comment if the SSN is a valid number but the name and/or date of birth reported on the FAFSA don't match the SSA's records. In either case, the student must resolve the SSN discrepancy before he or she can receive federal aid. This may be done by correcting the SSN or providing documentation that the SSN is correct. For advice about the best course of action in their circumstances, students should contact the financial aid administrator at the school they plan to attend.

If the student indicates on the FAFSA that he or she is a U.S. citizen, ED also conducts a match with the SSA to verify U.S. citizenship status. The results of the citizenship match are printed on the student's SAR or *SAR Information Acknowledgement.* When a student's reported data conflict with the SSA's database—or when no citizenship match can be performed—the SAR or *SAR Information Acknowledgement* will indicate that there is a conflict. The student must then provide the school with documentation substantiating his or her citizenship claim.

At the time this publication went to print, the database match was expected to be expanded in 2000-2001 to check whether the SSA has a date of death listed for the person with that SSN. The match is intended to detect when someone might be fraudulently attempting to receive federal financial aid.

Also planned is a database match with the SSA's Prisoner's File. The SSA will check to see whether the applicant is incarcerated and, if so, whether the student is in a local, state, or federal facility. Aid eligibility varies depending on what kind of institution the student is in.

Immigration and Naturalization Service (INS) match

The CPS also matches FAFSA records against citizenship records maintained by the U.S. Immigration and Naturalization Service (INS). If the student reports on the FAFSA that he or she is an eligible noncitizen (and, therefore, could be eligible for federal student aid) and reports an Alien Registration Number, that information will be checked against the database maintained by the INS. If the match does not confirm the student is an eligible noncitizen, he or she will receive a comment on the SAR or *SAR Information Acknowledgement*. A student is not eligible for aid until his or her status as an eligible noncitizen is resolved.

National Student Loan Data System (NSLDS) matches

The CPS also matches FAFSA data with the National Student Loan Data System (NSLDS), which identifies students who have defaulted on any Federal Perkins Loans, Direct Loans, or FFEL Program loans. If a student is found to be in default and has not made satisfactory arrangements to repay, he or she will receive a comment on the SAR or *SAR Information Acknowledgement*. A student is not eligible for aid until the default status is resolved. The NSLDS match also reveals whether a student owes a refund of a student aid overpayment.

Other matches

The CPS also performs matches against:

- drug-abuse conviction records maintained by the U.S. Department of Justice,
- registration status information maintained by the Selective Service, and
- veteran status maintained by the U.S. Department of Veterans Affairs (for students who say they are independent on the basis of their veteran status).

Finally, the Secretary of Education is authorized by the Higher Education Amendments of 1998 to confirm certain FAFSA data (e.g. Adjusted Gross Income) with the Internal Revenue Service. ED will not implement this match in 2000-2001 but is working with the IRS to develop a study comparing 2000-2001 FAFSA income data with IRS data.

Reviewing the Student Aid Report (SAR) and SAR Information Acknowledgement

Students who apply using *FAFSA on the Web* or *FAFSA Express* and those who make changes using *Corrections on the Web* (see page 33) will receive a SAR within 10 to 14 days of mailing the signature page (faster if the student signs electronically). Students who apply using a paper FAFSA will receive a SAR in the mail within four weeks of mailing the FAFSA. Students who transmit electronic applications or corrections through their schools using EDExpress will receive a *SAR Information Acknowledgement* about 10 days after the school submits the information to the CPS.

The student does not need to take or send the SAR or *SAR Information Acknowledgement* to a school that already received the student's EFC and FAFSA information electronically in the form of an ISIR. If a student is interested in having a school that he or she did not list on the FAFSA receive an ISIR, the student can add that school to the list (see page 34) or give the school permission to add itself.

Students can request duplicate copies of their SARs:

- A student with a PIN accesses *FAFSA on the Web* at **http://www.fafsa.ed.gov**
- Using a touch-tone phone, a student calls the FSAIC and presses Feature #1. An automated system will ask the student to enter his or her

SSN and the first two letters of his or her last name. The duplicate SAR is then sent automatically. TTY users will be connected to an operator rather than to an automated system.

Student Aid Report (SAR)

The SAR comes in two parts, designed so that the item numbers on the SAR correspond to the numbered questions on the FAFSA. Students can make necessary changes and make corrections directly on Part 2 of the SAR.

Part 1—Information Summary

Part 1 of the SAR is the **Information Summary**, which serves as an eligibility letter to the student. The student's data release number (DRN) appears at the top of all pages of the SAR. The student will need the DRN if he or she wants to add schools to those listed on the SAR by having a school add itself electronically or by calling the FSAIC. As noted on page 34, the student can use his or her PIN to add schools through *Corrections on the Web*. The DRN is not the same as the PIN: the DRN is the student's permission for the financial aid administrator or the FSAIC to access his or her file, while the PIN gives the student access to his or her file and acts as an electronic signature.

Unless the student's SAR has been rejected, the EFC is printed on the front at the upper right. The eligibility letter also includes instructions for the student. A summary of the student's information is printed on the back of Part 1. Part 1 also contains a page of summary data from the National Student Loan Data System (NSLDS). If the student has not had any previous federal student loans, much of this page will be blank.

Part 2 — Information Review Form/ Information Request Form

Part 2 of the SAR is the **Information Review Form** or **Information Request Form**. A student will receive an Information Review Form unless the student's SAR is rejected. If a student receives a rejected SAR, Part 2 will be an Information Request Form. A rejected SAR does not include an EFC. Rejected SARs are sent when applications have inconsistent data or insufficient data to calculate an EFC. Students might also receive rejected SARs if there are other problems, such as a missing signature page for an electronic application.

The student uses Part 2 make corrections, if necessary (see page 33 for more information about corrections and updating). Part 2 has an expanded listing of the student's information under the "YOU TOLD US" column, with space, if needed, for the student to correct the information under the column headed "WRITE IN INFORMATION FOR NEW OR CORRECTED ITEMS ONLY." Data elements questioned by the CPS are highlighted in bold type.

If the student makes any changes using the Information Review Form or Information Request Form, he or she must return the SAR for reprocessing. At schools that participate in EDExpress, financial aid administrators can make the changes electronically.

SAR Information Acknowledgement

Students who apply through a school using EDExpress or make corrections through *Corrections on the Web* receive a noncorrectable *SAR Information Acknowledgement* from the CPS. This acknowledgement consists only of Part 1 and allows the student to review the processed information and results. This document may not be used to submit changed or corrected data. If changes or corrections are needed, they must be made through EDExpress at the school or through *Corrections on the Web*, or the student may request a duplicate paper SAR to make a correction.

Verification

The effectiveness of the federal student financial aid programs depends, in large part, on the accuracy of the data reported by students. It directly affects the eligibility of millions of applicants for these programs. Because of this, schools must verify information provided by students selected by the CPS, following procedures established by federal regulations. The CPS prints an asterisk next to the EFC on the SAR or *SAR Information Acknowledgement* to identify students who have been selected for verification. (A code is also provided on the ISIR sent to schools.) If the student is selected for verification, a school's financial aid administrator must check the information the student reported

on the FAFSA, usually by requesting a copy of signed tax returns filed by the student and, if applicable, the student's parent(s) or spouse. Many schools also select applications to be verified in addition to those selected by the CPS.

Making changes

There are situations in which the student will have to change information that was reported on the application. This consists of correcting errors or updating certain information.

Corrections and updating

As previously stated, students can make corrections using Part 2 of the SAR or can have the school transmit corrections electronically through EDExpress. Even if the student did not originally apply through EDExpress, a school may still be able to make the corrections electronically if the student takes the corrected information to the school.

If the student has a PIN, he or she can quickly and easily correct or update information using *Corrections on the Web,* which is available at **http://www.fafsa.ed.gov** and will be fully functional in spring 2000. *Corrections on the Web* allows the student to change all data elements except the SSN and date of birth (these are identifying elements that, along with the PIN, authenticate the user). The PIN the student uses to access *Corrections on the Web* acts as an electronic signature, so there is no need for the student to send a signature page to the CPS. If a dependent student changes information about his or her parent(s), one of those parents must sign a signature page or use his or her own PIN to sign electronically.

When a student files a FAFSA, it creates a "snapshot" of the financial situation of the student's family as of the date the application was completed. Errors may occur, however, because the student filled in the wrong information on the FAFSA.

- For example, a student realizes that she has reported her parents' total income as $23,000 rather than the requested Adjusted Gross Income (AGI) of $20,000. The student can access *Corrections on the Web* using her PIN, correct Part 2 of her SAR and mail it back to the CPS, or ask the school to submit the correction electronically. A new SAR or *SAR Information Acknowledgement* will be sent to the student and the same corrections will be sent to the school on an ISIR.

The student is not allowed to update income or asset information to reflect changes to her family's financial situation that took place after the FAFSA was filed. For example, if the same student's family spent some of their savings after filing the FAFSA, the student may not update her information to show a change in the family's assets. However, there are three items that the student **must** update:

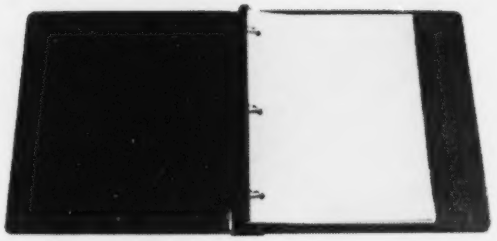
- a change in dependency status,
- a change in the number of family members in the household (only if the student is selected for verification), and
- a change in the number of family members enrolled in postsecondary schools (only if the student is selected for verification).

Note: If any of these changes occurs as a result of a change in the student's marital status, the student is not permitted to update accordingly.

The student should speak to the school's financial aid office directly if there will be a significant change in the family's income for the present year or other changes that cannot be reported on the SAR or electronically.

Dependency status and overrides

Most students entering a postsecondary school straight from high school are considered financially dependent on their parents. This means their parents have to provide information on the FAFSA (see Part 3 of this handbook). In unusual circumstances, a student who would normally be considered dependent



can be considered independent. The financial aid administrator at a school can make a special determination of independence and override the student's dependency status on the FAFSA. Students who believe that they have compelling and unique reasons to be considered independent should contact the financial aid office at the school they are planning to attend. Students should note that the school is not required to perform dependency overrides, and if the financial aid administrator determines that an override is not appropriate, his or her decision cannot be appealed to the U.S. Department of Education.

Adding a school

If a student wants to have his or her FAFSA information sent to an additional school after filing the FAFSA, the student may use the SAR or *Corrections on the Web* to add the new school. A student using *Corrections on the Web* is allowed only one set of corrections per day. Therefore, if the student wants to change all six schools more than once, he or she will have to access *Corrections on the Web* on at least two different days.

If the student calls the FSAIC to add the school or gives the school permission to add itself, the student will need to provide his or her DRN from the SAR or *SAR Information Acknowledgement.*

Note: No more than six schools may receive the student's ISIR. When new schools are chosen to receive the ISIR, a corresponding number of schools will no longer receive updated ISIR information.

2000-2001 deadlines

Here are some important deadlines for the 2000-2001 application cycle for students and schools. At the time this book was published, most of these dates were not official and were scheduled to be announced in July 2000. For further information after July 2000, contact the FSAIC.

A 2000-2001 FAFSA or a Renewal FAFSA must be received by the application processor

- no earlier than

  January 1, 2000 (paper applications)

  January 3, 2000 (electronic applications)

- and no later than

  July 2, 2001

Note: The front page of the FAFSA provides the state deadlines for state aid. Schools may have their own deadlines for campus-based and school financial aid.

- If a student needs to make SAR corrections, the SAR must be received by the application processor no later than

  August 16, 2001 (paper submission)

  August 27, 2001 (8:00 p.m. eastern) (electronic submission)

- A student may request a duplicate SAR by telephone or in writing through

  August 16, 2001 (paper submission)

  August 27, 2001 (electronic [phone request])

- To establish a student's eligibility for a Federal Pell Grant, a school must receive a SAR, *SAR Information Acknowledgement*, or ISIR for the student **while the student is still enrolled** for that award year, but no later than

  August 31, 2001

- A student whose application information is being verified may be given up to 90 days after his or her last day of enrollment in which to complete verification. Verification is considered complete when the school receives a valid output document (i.e. a SAR, *SAR Information Acknowledgement*, or ISIR) based on the verified information. However, the verification extension cannot continue beyond

  August 31, 2001

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Part THREE

Completing the *Free Application for Federal Student Aid*

As mentioned in Part 2 of this handbook, if a student wishes to receive federally funded student financial aid to attend a postsecondary school, he or she must complete the *Free Application for Federal Student Aid* (FAFSA). Many states and schools also rely on the FAFSA to distribute their student aid funds.

A student does not have to pay to have the FAFSA processed. ED uses the information collected on the FAFSA to calculate the Expected Family Contribution (EFC). The EFC is used to determine what a family can pay toward postsecondary education and, in turn, a student's financial aid eligibility.

Notes within the FAFSA explain specific terms and definitions and direct how questions are to be answered. Additional help on completing the FAFSA can be found at
http://www.ed.gov/prog_info/SFA/FAFSA

A student can complete (and submit) the FAFSA electronically through *FAFSA on the Web* or *FAFSA Express*. (See Part 2 of this handbook.)

- For *FAFSA on the Web*, go to **http://www.fafsa.ed.gov**
- For *FAFSA Express* go to **http://www.ed.gov/offices/OPE/express.html**

A student also can submit the FAFSA electronically by asking the school to transmit the information through software called EDExpress. (Schools are not required to do so.)

Alternatively, a student can complete a paper FAFSA and mail it to ED's processor:

Federal Student Aid Programs
P.O. Box 4015
Mt. Vernon, Illinois 62864-8615

Spanish FAFSAs should be sent to

Federal Student Aid Programs
P.O. Box 4014
Mt. Vernon, Illinois 62864-8614

A black-and-white copy of the 2000-2001 paper FAFSA appears at the end of this section. Comments to improve the FAFSA may be sent to

U.S. Department of Education
FAFSA Coordinator
Application and Pell Processing System
Division
Room 4621
Washington, DC 20202-4651

Pointers for completing the FAFSA

The FAFSA for 2000–2001 is white, pink, and purple. Pink sections are for students to complete; purple sections are for parents to complete.

The answers on the paper FAFSA are read by machine. To complete the paper version, a student must

- use black ink or a No. 2 pencil;
- fill in each answer oval completely;
- print clearly in CAPITAL letters and skip a box between words;
- report dollar amounts without cents;
- write numbers less than ten with a zero first (for example, write the number seven as 07); and
- report dates as numbers in the boxes provided (such as 02/14/1999 for February 14, 1999 or 02/1999 for February 1999).

The following description of the FAFSA is mapped to the paper version of the application. This information should help counselors answer questions that students and parents might have about the FAFSA.

Note: The electronic versions of the FAFSA, FAFSA on the Web and FAFSA Express, are programmed to help students and their parents complete the form completely and correctly. The information collected on the electronic versions is the same as the paper version but may appear in a different order.

We made a number of changes to the FAFSA for 2000–2001. Some of these were a result of changes to the law in the Higher Education Amendments of 1998. Others were made as a result of comments we received from students and counselors. Here are the significant changes:

- A drug conviction eligibility question (28) has been added to page 3.
- Two parent Social Security Numbers (SSNs) and two parent last names (61-64) have been added to page 5.
- A notice has been added to the certification language on page 6 that the Secretary of Education has the authority to verify income reported on the application with the Internal Revenue Service.
- The order of questions has been revised. Veterans education benefits have been moved from page 3 to page 4. The order of the six dependency status questions on page 4 has been changed. Student household size and number in college have been moved to page 6. The order of parent questions in Step Four has been revised.
- The instructions for questions 49-51 and 83-85 (assets) have been revised to include Education IRAs.
- The instructions for questions 1-3 (student name) have been clarified to specify use of student name *as it appears on the applicant's Social Security card.*
- The instructions for questions 66 and 87 (number in college) have been revised to exclude parents.

STEP ONE (Questions 1-36)

Questions 1-17

Purpose: Questions 1-17 collect information used to track and identify a student (name, telephone number, address, SSN, and so on) as well as other information that affects a student's basic eligibility for federal student aid. For instance, there is a question about citizenship because a student must be a U.S. citizen (or eligible noncitizen) to receive federal student aid.

> **Note: In this section, if a question does not apply, the student should leave it blank.**

- **Questions 1-3** ask for the student's name. The name, along with other identifying information, is used for several data matches. Because the U.S. Department of Education (ED) matches the student's name and SSN with the SSA, the name here should match the name on the student's Social Security card. Otherwise, the student will be told there was an inconsistency during processing, and other data match results may be off.

  The student should be very careful when entering his or her SSN; although the SSN can be corrected after the *Student Aid Report* (SAR) is produced, the number originally entered will always be used as the student's ID and is likely to cause confusion and extra work for the financial aid administrator if it doesn't match the student's SSN.

- **Questions 4-7** ask for the student's permanent mailing address. The student generally must give a permanent home mailing address (not a school or office address).

  Exception: An incarcerated student must use his or her school's administrative address and include with the FAFSA a letter from the school indicating that he or she is incarcerated and, because of this, is using the school's address.

- **Question 8** asks for the student's SSN. A student must have an SSN to apply for federal financial aid. If the student submits a FAFSA without an SSN, the FAFSA will be returned to the student unprocessed. To get an SSN, or to determine what it is if a student's Social Security card has been lost, the student must contact the local Social Security office. For additional information (in English and Spanish), call the Social Security Administration at **1-800-772-1213 (TTY: 1-800-325-0778).**

  Exception: A student from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau is not required to have an SSN. He or she should submit the FAFSA to the following address, not to the address printed on the FAFSA envelope:

  Federal Student Aid Programs
  P.O. Box 4003
  Mt. Vernon, Illinois 62864-8603

- **Question 14**, which asks about U.S. citizenship and eligible noncitizenship, is the first question on the FAFSA to refer to a reference note on page 2 of the FAFSA. The FAFSA defines an "eligible noncitizen" as someone who is

  - a U.S. permanent resident with an Alien Registration Receipt Card (I-551),
  - a conditional permanent resident (I-551C), or
  - an eligible noncitizen with an Arrival-Departure Record (I-94) from the U.S. Immigration and Naturalization Service showing a designation of refugee, asylum granted, indefinite parole, humanitarian parole, or Cuban-Haitian entrant.

Note: Anyone who isn't a citizen or an eligible noncitizen is ineligible for federal student aid. However, he or she may be eligible for state or school aid and, therefore, should complete the FAFSA since many states and schools use it to award their own student aid funds. (The student might wish to check with the financial aid administrator at the school he or she plans to attend.)

- **Questions 16 and 17** ask about the student's marital status "as of today" (the day the application is completed). Because of the way a student's income and assets are treated in the Expected Family Contribution (EFC) calculation, marital status cannot be projected—the student must report his or her marital status as of the date the application is completed.

Questions 18-36

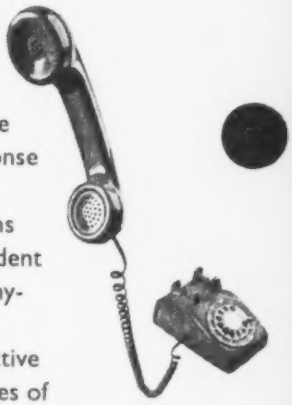
Purpose: Questions 18-36 collect certain eligibility information as well as information on the student's college enrollment plans for the 2000-2001 award year, intended course of study, and preference for types of federal student financial aid.

- **Questions 18-22** ask whether the student plans to attend full time, three-quarter time, half time, less than half time, or not at all during upcoming terms. A student who is not sure should mark "Full time." A student attending a traditional semester-based school should fill out information for Fall 2000 and Spring 2001 (a winter term is not usually an option at such schools).

- **Questions 23 and 24** ask for the highest level of school completed by the student's father and mother. Some state agencies use the information to award grants and scholarships. "Father" and "mother" in these questions mean the student's birth parents or adoptive parents, but not stepparents or foster parents. Note that this definition of parents is unique to this question.

- **Questions 25-27** ask for the student's state and date of legal residence. This information is used in the Expected Family Contribution calculation to determine the appropriate allowance for state and other taxes paid by that state's residents. It also indicates which state agency should receive the student's FAFSA information. (Many state agencies use the FAFSA to award state-based student aid.)

- **Question 28** asks whether the student has been convicted of any illegal drug offense. If not, the student enters "1" in the box and goes to question 29. If the student has been convicted, he or she is not necessarily ineligible for aid. The student should call the Federal Student Aid Information Center (FSAIC) at **1-800-4-FED-AID** (1-800-433-3243) or go to **http://www.fafsa.ed.gov/q28** to determine how to answer this question.



The FSAIC's operator will ask the student a series of questions or—if the student prefers—will connect the student to an automated voice response system. In both cases, the student is asked the same questions and remains anonymous. On the Internet, the student has the choice of completing an anonymous interactive questionnaire or of printing out a worksheet. The interactive questionnaire asks the student a series of questions and then tells him or her how to answer question 28 (and gives the student an eligibility date if appropriate). The worksheet can be printed out by the student, who follows its instructions to determine his or her answer to question 28. A copy of the worksheet follows the sample FAFSA in this handbook.

The worksheet instructs the student to answer "1," "2," or "3" to question 28 depending on his or her situation. An answer of "1" means the student is eligible for federal student aid; an answer of "2" means the student will become eligible during the school year; and an answer of "3" means the student is not eligible for the 2000–2001 award year. A "3" can mean either that

the student's eligibility date is later than June 30, 2001 or that the student has too many convictions and can regain eligibility only by completing an acceptable rehabilitation program. The worksheet gives a definition of such a program.

Please note two important statements on the worksheet. Students who have convictions for both possessing and selling drugs cannot use this worksheet to determine their answer to question 28 and are advised to telephone the FSAIC for assistance. A student who is convicted of a drug offense after completing the FAFSA may lose eligibility and must notify his or her financial aid administrator. Such a student could be liable to return any financial aid that is received during a period of ineligibility.

If a student leaves FAFSA question 28 blank, the student will receive a version of the worksheet along with his or her SAR. The SAR will include a comment explaining that eligibility for federal aid cannot be determined unless the student answers question 28. Students who answer "3" to question 28 will also receive a worksheet to allow them to review and, if appropriate, correct their previous answer.

The student should complete and submit the FAFSA because even if he or she is ineligible for federal student aid, he or she might still be eligible for state or institutional aid. (For more information about this item, see page 9 of this handbook.)

- **Question 32** asks for the student's grade level at the beginning of the 2000-2001 school year. This question helps establish how much money the student may borrow under federal loan limits.

- **Question 34** asks whether the student will have a first bachelor's degree before July 1, 2000, because eligibility for Federal Pell Grants and FSEOGs is restricted to students who have not yet received bachelor's degrees.

- **Questions 35 and 36** ask the student to indicate what types of aid, in addition to grants, he or she is interested in receiving. If a student isn't sure about wanting loans or work-study, he or she should answer "Yes." That way the student will be considered for all types of aid that are available; at a later date, the student can decline any awarded aid he or she does not want.

STEP TWO (Questions 37-53)

Questions 37-53

Purpose: Questions 37-53 collect the student's (and spouse's) income and asset information. (The FAFSA collects parents' income and asset information in Step Four.) This information is used to calculate the student's (and spouse's) portion of the EFC. The questions about income collect information on base-year income, as well as income tax paid, tax-filing status, and the number of exemptions claimed. The base year for applicants for 2000-2001 is the 1999 tax year. Questions give line references to the 1999 IRS tax forms. The questions about assets ask for savings and net worth of investments and businesses.

> ***Note:** In this section, students are directed to enter 0 if the answer to a question is zero or the question does not apply.*

- **Questions 37-39** ask the student if he or she has filed a 1999 tax return yet, which income tax return was filed or will be filed, and whether the student was eligible to file a 1040A or 1040EZ. ED's Central Processing System (CPS) uses this information to identify who is eligible for the simplified needs test.

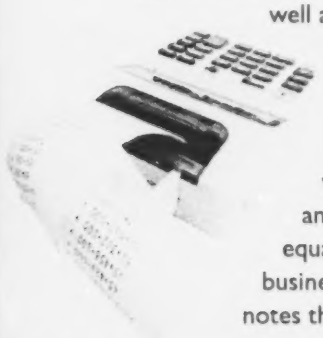
- **Questions 40-45** ask the student for income information reported on his or her tax returns. Each question gives the line reference to the 1999 IRS tax forms. ED recommends, but does not require, that a student file the IRS tax forms before completing the FAFSA. If the student files a foreign tax return, the student should convert the value of the foreign income and taxes paid into U.S. dollars, using the exchange rate in effect at the time he or she completes the FAFSA. If the

student files a tax return with Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau, the student should report the information as stated on these returns.

- **Questions 46 and 47** collect information about the student's untaxed income, untaxed benefits, and tax credits. To provide this information, the student completes the columns on the left side of Worksheet A and Worksheet B. (Copies of the worksheets are on page 58 of this handbook.) It is important to review the items on these worksheets carefully, even if the student may have just a few of these items to report. These worksheets are not submitted to ED. Instead, the student enters the totals for the worksheets in Questions 46 and 47.

  Worksheet A asks for "Social Security benefits received that were not taxed." Tax filers can determine this amount from the IRS form 1040 by subtracting line 20b (the taxable portion of Social Security benefits) from line 20a (total Social Security benefits).

- **Questions 48-51** ask the student for information about cash, savings, and checking accounts, as well as net worth of investments, net worth of business, and net worth of investment farm. The net worth of investments is equal to investment value minus investment debt, and the net worth of business is equal to business value minus business debt. The FAFSA includes notes that define these terms.



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An Education IRA in the student's name should be included in the *student's* assets, even if the parents opened the account and have made every contribution to it.

The CPS will automatically calculate a simplified EFC for a student who meets certain income and tax-filing requirements. When an applicant meets the requirements for a simplified needs test, family assets are not used in the EFC calculation. Students (and parents) do not complete separate worksheets, as they did in the past. Instead, everyone includes asset information, and the CPS makes the adjustment for the applicant. Even if the asset information isn't taken into account in calculating the EFC, some states and schools require this information for their own programs.

- **Question 51** tells the student that an investment farm does not include a farm that the student lives on and operates.

- **Questions 52 and 53** ask about the student's veterans education benefits and for how many months they will be received. If students receive veterans education benefits, they must report the amount of monthly benefits they expect to receive during the school year (from July 1, 2000 through June 30, 2001). Benefits include a range of assistance that the U.S. Department of Veterans Affairs offers, such as the Montgomery GI Bill benefits and other benefits described in Part 1 of this handbook.

  Veterans education benefits are not used in the EFC calculation. Instead, the law requires that education benefits offered by the U.S. Department of Veterans Affairs be treated

  – as a resource when determining the student's eligibility for campus-based financial aid programs, and
  – as estimated financial assistance (EFA) when determining the student's eligibility for Direct Loan or FFEL Program loans. (However, note that Montgomery veterans benefits are excluded from EFA.)

  This means that schools use veterans benefits when packaging aid.

STEP THREE (Questions 54-59)

Questions 54-59

Purpose: The questions in this step determine whether a student is a dependent student or an independent student for purposes of calculating the Expected Family Contribution (EFC). Even if the student has unusual circumstances, this section must be answered. A school's financial aid administrator has the authority to override a student's dependency status on the initial application or by correcting the SAR if he or she decides that a dependent student should be considered an independent student.

Note: In this section, the student must answer either "Yes" or "No" to each question.

- **Questions 54-59** ask the student whether he or she meets any of six criteria:
  - Were you born before January 1, 1977?
  - Will you be working on a degree beyond a bachelor's degree in school year 2000-2001?
  - As of today, are you married? (The student should answer "Yes" if he or she is separated but not divorced.)
  - Do you (1) have children who receive more than half their support from you or (2) dependents (other than your children or spouse) who live with you and will receive more than half of their support from you through June 30, 2000?

Note: A student whose unborn child will be born before the end of the award year and will be supported by the student can answer "Yes." This applies to male students as well as females.

  - Are you an orphan or ward of the court or were you a ward of the court until age 18?
  - Are you a veteran of the U.S. Armed Forces? The FAFSA explains who is a veteran and who is not a veteran. A "veteran of the U.S. Armed Forces" is someone who was engaged in active service in the Army, Navy, Air Force, Marines, or Coast Guard and did not receive a dishonorable discharge. Someone who was a cadet or midshipman in one of the service academies is also a veteran if he or she did not receive a dishonorable discharge. The student should answer "No" if he or she has not served in the U.S. Armed Forces or is an ROTC student, is a cadet or midshipman in a service academy, or is a National Guard or Reserves enlistee who has never been activated for duty. The student also should answer "No" if he or she is currently serving in the U.S. Armed Forces and will continue to serve through June 30, 2001. If a student answers "Yes" to being a veteran, the name is submitted for a database match with U.S. Department of Veterans Affairs.

Note: If the student answers "Yes" to any one of these questions, he or she is classified as an independent student, even if the student is still living with his or her parents. If the student is not living with his or her parents but cannot answer "Yes" to any of these questions, the student is dependent and must include his or her parents' information in Step Four.

A student answering "Yes" to any question in Step Three skips Step Four and goes to Step Five. A student answering "No" to every question here goes to Step Four.

STEP FOUR (Questions 60-85)

Questions 60-70

Purpose: Questions 60-70 collect information about the student's parents and their household, such as household size, number in college, marital status, age, and state of legal residence.

Before completing these questions, the student should read the notes on page 7 of the FAFSA; these notes explain who is considered a parent. The term "parent" is not restricted to biological parents. There are several instances in which a person other than the student's biological parent is treated as the student's parent.

- If the student's parents are both living and married to each other, the student answers the questions about them. (The student will be providing information about two people.)

- If the student's parent is widowed or single, the student answers the questions about that parent. (The student will be providing information about one person.) If the widowed parent has remarried as of the day the FAFSA is completed, the student answers the questions about that parent and the person whom that parent married. (The student will be providing information about two people.)

- If the student's parents are divorced or separated, the student answers the questions about the parent he or she lived with most during the past 12 months. If the student did not live with one parent more than the other, he or she answers in terms of the parent who provided the most financial support during the past 12 months or during the most recent year that the student actually was supported by a parent. (The student will be providing information about one person.) If this parent has remarried as of the day the FAFSA is completed, the student answers the questions on the rest of the form about that parent and the person whom that parent married. (The student will be providing information about two people.)

- Some students might have additional questions. The following information may help answer them.

  - ***Legal guardians:*** Legal guardians are not considered to be a student's parents.
  - ***Foster parents:*** Foster parents are not considered to be a student's parents.
  - ***Grandparents (or aunts or uncles):*** Nonparent relatives (or nonrelatives) are NOT considered to be the student's parents—even if the student is living with them—unless they have adopted the student.
  - ***Common-law marriage:*** If a student's parents are living together and are not married but meet the criteria in their state for a common-law marriage, the parents should be reported as married. If the state does not consider the situation to be a common-law marriage, then the parent information should be filled out as if they are divorced.

Note: If the student's last surviving parent dies after the FAFSA has been filed, the student must update question 58 using the methods described on page 33 of this handbook for updating information.

- **Question 65** collects information on how many people are in the parents' household. The applicant should include

  - the student and the student's parents;
  - the parents' other children, if the parents will provide more than half of their support through June 30, 2001 or if the other children would be considered dependent if they were applying for federal student aid (i.e., if they could answer "No" to every question in Step Three of the FAFSA);
  - the parents' unborn child if that child will be born before or during the award year; and
  - other people currently living with the student's parents, if the parents provide more than half of their support and will continue to provide more than half of their support through June 30, 2001.

- **Question 66** asks who in the parents' household will be college students in a program that leads to a college degree or certificate between July 1, 2000 and June 30, 2001. The FAFSA notes say to count the student, even if he or she is attending college less than half time in 2000-2001. However, others in the parents' household may be included only if they will attend at least half time in 2000–2001. Beginning with the 2000–2001 school year, parents may no longer be included in the number in college.

- **Question 67** asks for the parents' state of legal residence. Students with noncitizen parents who have never lived in the U.S. should enter "FC" (foreign country) for this question on *FAFSA on the Web* or *FAFSA Express*. Those filling out the paper form should leave question 67 blank.

Questions 71-85: Income and Asset Information

Purpose: Questions 71-85 collect the student's parents' income and asset information to calculate the parents' portion of the EFC. The questions ask about income, taxes paid, tax filing status, and the number of exemptions claimed. The questions about assets ask for savings and net worth of investments and businesses.

> *Note: If the answer to a question is zero or the question does not apply, the student should enter 0.*

Questions 71-81

Purpose: Questions 71-81 collect information on the base-year income of the parents, as well as income tax paid, tax-filing status, and the number of exemptions claimed. The base year for applicants for 2000–2001 is the 1999 tax year. Questions give line references to the 1999 IRS tax forms.

> *Note: A portion—and only a portion—of the parents' income and assets is included in the EFC as being available for the student's educational costs.*

- **Questions 71-73** ask if the student's parents have filed a 1999 tax return yet, which income tax return was filed or will be filed, and whether the parents were eligible to file a 1040A or 1040EZ. ED's Central Processing System (CPS) uses this information to identify who is eligible for the simplified needs test.

- **Questions 74-79** ask the student (or his or her parents) to enter income information that his or her parents reported on their tax returns. Each question gives the line reference to the 1999 IRS tax forms. ED recommends, but does not require, that parents file IRS tax forms before completing the FAFSA. If the parents file a foreign tax return, the student should convert the income and tax amounts into U.S. dollars, using the exchange rate in effect at the time the student completes the FAFSA. If the parents file a tax return with Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau, the student should report his or her parents' information as stated on these returns.

- **Questions 80 and 81** collect information about the parents' untaxed income, untaxed benefits, and tax credits. The parents' information goes into the columns on the right side of Worksheet A and Worksheet B. (Copies of the worksheets are on page 58 of this handbook.) It is important to review the items on these worksheets carefully, even if the parents have just a few of these items to report. These worksheets are not submitted to ED. Instead, the totals from the worksheets are entered into questions 80 and 81.

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Worksheet A asks for "Social Security benefits received that were not taxed." Tax filers can determine this amount from the IRS form 1040 by subtracting line 20b (the taxable portion of Social Security benefits) from line 20a (total Social Security benefits).

Questions 82-85

Purpose: Questions 82-85 collect information to determine whether a family's assets are substantial enough to support a contribution toward a student's postsecondary education costs. Questions 83-85 deal with net worth of investments and businesses.

An Education IRA in the student's name should be included in the *student's* assets, even if the parents opened the account and have made every contribution to it.

Note that the family's principal place of residence is not reported as an asset.

The CPS will automatically calculate a simplified EFC for a student who meets certain income and tax-filing requirements. When an applicant meets the requirements for a simplified needs test, family assets are not used in the EFC calculation. Students (and parents) do not complete separate worksheets, as they did in the past. Instead, everyone includes asset information, and the CPS makes the adjustment for the applicant. Even if asset information isn't taken into account in calculating the EFC, some states and schools require this information for their own programs.

- **Questions 83 and 84** state that net worth of investments is equal to investment value minus investment debt and net worth of business is equal to business value minus business debt. The FAFSA includes notes that define these terms.

- **Question 85** states that an investment farm does not include a farm that the parents live on and operate.

STEP FIVE (Questions 86 and 87)

Questions 86 and 87

Purpose: Questions 86 and 87 collect information about independent students. Only students who answered "Yes" to one or more questions in Step Three complete this step.

- **Question 86** collects information on how many people are in the student's household. The applicant should include
  - the student (and spouse),
  - the student's children, if the student will provide more than half of their support through June 30, 2001,
  - the student's unborn child, if that child will be born before or during the award year and the student's household will provide more than half of the child's support, and
  - other people currently living with the student, if the student provides more than half of their support and will continue to provide more than half of their support through June 30, 2001.

- **Question 87** asks how many of the student's household will be students in a program that leads to a college degree or certificate between July 1, 2000 and June 30, 2001. The FAFSA tells the student to count himself or herself, even if he or she is attending college less than half time in 2000-2001. However, the student may include others in the household only if they will attend at least half time in 2000-2001. The student's parents may not be counted.

STEP SIX (Questions 88-99)

Questions 88-99

Purpose: These questions collect information about which postsecondary schools the student is interested in attending. The student can list up to six schools, and ED will send the student's information to each school listed. For each school, the student indicates whether he or she expects to live on campus, off campus, or with parent(s), because housing costs are part of the cost of attendance to be determined by the school and, therefore, affect the amount of financial aid that students can receive.

If the student wants information sent to more than six schools, the student adds schools after the FAFSA has been processed and the student has received a SAR or *SAR Information Acknowledgement*. Part 2 of this handbook describes how a student can add or change schools on the list.

Note: ED's central processor will send data to no more than six schools at a time for one student. For example, if a student originally listed six schools on the application and then updated or corrected information on the SAR or *Corrections on the Web* and replaced all six schools with new schools, only the second six schools would get the updated or corrected data.

For a college to receive a student's data, the student must list the college's federal school code or enter the college's complete name, address, city, and state. School codes are not provided in the FAFSA; they are in a separate publication, the "Federal School Code List." ED sends this list to high schools, colleges, and public libraries each fall around the same time the FAFSAs are distributed. ED also makes the federal school codes available through the Internet at **http://www.fafsa.ed.gov** (click on "Entering A FAFSA Online" and then click on "Federal School Code Search").

STEP SEVEN (Questions 100-104)

Questions 100-104

Purpose: These questions collect the date the FAFSA was completed and student and/or parent signatures (and, if applicable, the FAFSA preparer's information and signature).

By signing the FAFSA, the student and/or parent agree that if asked, they will provide information that verifies the accuracy of the completed form. The signature(s) also certify that the signers

- will use federal student financial aid only to pay the cost of attending a postsecondary school,
- have no defaulted federal student loans (or have made satisfactory repayment arrangements),
- do not owe money back on a federal student grant (or have made satisfactory repayment arrangements),
- will notify the school if a federal student loan is defaulted on, and
- understand that the Secretary of Education has the authority to verify income reported on the application with the Internal Revenue Service.

Note: If students and/or parents purposely give false or misleading information, they may be fined $10,000, sent to prison, or both.

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- **Question 101** is where the student signs the FAFSA. If parents' information was provided in Step Four, a parent must also sign the FAFSA here. Only one parent who provided information in Step Four must sign. (A student using *FAFSA on the Web* or *FAFSA Express* must print, sign, and mail a signature page unless the student is able to sign electronically; see page 26.)

- There are some circumstances when a high school counselor or a postsecondary school's financial aid administrator may sign the application in place of parents:
  - the parent(s) are not currently in the United States and cannot be contacted by normal means,
  - the current address of the parent(s) is not known, or
  - the parent(s) have been determined physically or mentally incapable of providing a signature.

  Substituting the signature of a counselor or financial aid administrator is a way to move the FAFSA through the processing system. The counselor or financial aid administrator must provide his or her title in parentheses next to his or her signature and briefly state the reason why he or she is signing for the parent(s).

  By signing in place of a parent, the counselor or financial aid administrator is assuring a minimum level of credibility for the data submitted. However, the counselor or financial aid administrator does not assume any responsibility or liability in this process. If a financial aid office finds any inaccuracies in the information reported, the student must correct the information through the correction process described in Part 2 of this handbook.

If the FAFSA was not completed by the student, the student's spouse, or the student's parents, certain information about the preparer is collected. High school counselors, financial aid administrators, and others who help students with their FAFSAs by actually completing line items or dictating responses are considered preparers. Preparers must complete the appropriate section of this step even if they are not paid for their services.

- **Questions 102-104** require the preparer to provide his or her name, the name of the firm, address, and SSN or Employer Identification Number. The preparer also must sign and date the FAFSA.

Note: The "school use only" box at the end of the FAFSA is for postsecondary school use, not for high school use.

Where ED sends the FAFSA information

After ED receives and processes the FAFSA, it sends the processed information to

- the student,
- each school the student lists in Step Six,
- the state agency (or agencies) in the student's state of legal residence, and
- the state agencies of the states in which the schools listed in Step Six are located.

This maximizes the student's chances for receiving state-based and school-based financial aid.

Free Application for Federal Student Aid

OMB 1845-0001

July 1, 2000 — June 30, 2001 school year

Use this form to apply for federal and state* student grants, work-study, and loans.

You can also apply over the Internet at **http://www.fafsa.ed.gov** instead of using this paper form. In addition to federal student aid, you may also be eligible for a Hope or a Lifetime Learning income tax credit, both of which you claim when you file your taxes. For more information on these tax credits, this application, and the U.S. Department of Education's student a id programs, look on the Internet at **http://www.ed.gov/studentaid** You can also call 1-800-4FED-AID (1-800-433-3243) Monday through Friday between 8:00am and 8:00pm eastern time. TTY users may call 1-800-730-8913.

Your answers on this form will be read by a machine. Therefore,

- use black ink or #2 pencil and fill in ovals completely, like this: ●
- print clearly in CAPITAL letters and skip a box between words: 15 ELM ST
- report dollar amounts (such as $12,356.00) like this: $ 12,356 (no cents)
- write numbers less than 10 with a zero (0) first: 07

Pink is for students and purple is for parents.

- If you are filing a **1999 income tax return,** we recommend that you fill it out before completing this form. However, you do not need to file your income tax return with the IRS before you fill out this form.
- After you complete this application, make a copy of it. Then **send the original of pages 3 through 6** in the attached envelope or send it to Federal Student Aid Programs, P.O. Box 4015, Mt. Vernon, IL 62864-8615.
- We must receive your application—pages 3 through 6—no earlier than **January 1, 2000, and no later than July 2, 2001.**
- You should hear from us within four weeks. If you do not, please call 1-800-433-3243.
- If you or your family has **unusual circumstances** (such as loss of employment) that might affect your need for student financial aid, submit this form and consult with the financial aid office at the college you plan to attend.
- You may also use this form to apply for **aid from other sources, such as your state or college.** The deadlines for states (see below) or colleges may be as early as January 2000 and may differ. You may be required to complete additional forms.

Now go to page 3 and begin filling out this form. Refer to the notes as needed.

Deadline dates for state aid. Generally, state aid comes from your state of legal residence. **Check with your high school guidance counselor** or the financial aid administrator at your college about state and college sources of student financial aid. State deadlines are below.

AZ June 30, 2001 *(date received)*

* CA March 2, 2000 *(date postmarked)*

DE April 15, 2000 *(date received)*

* DC June 24, 2000 *(date received by state)*

FL May 15, 2000 *(date processed)*

HI March 1, 2000

IL First-time applicants—September 30, 2000
Continuing applicants—June 30, 2000
(date received)

* IN For priority consideration—March 1, 2000
(date postmarked)

* IA June 1, 2000 *(date received)*

* KS For priority consideration—April 1, 2000
(date received)

KY For priority consideration—March 15, 2000
(date received)

* LA For priority consideration—April 15, 2000
Final deadline—June 30, 2000
(date received)

ME May 1, 2000 *(date received)*

MD March 1, 2000 *(date postmarked)*

* MA For priority consideration—May 1, 2000
(date received)

MI High school seniors—February 21, 2000
College students—March 21, 2000
(date received)

MN June 30, 2001 *(date received)*

MO April 1, 2000 *(date received)*

MT For priority consideration—March 1, 2000
(date postmarked)

NH May 1, 2000 *(date received)*

* NJ June 1, 2000 if you received a Tuition Aid Grant in 1999-2000
All other applicants—October 1, 2000, for fall and spring terms
March 1, 2001, for spring term only
(date received)

* NY May 1, 2001 *(date postmarked)*

NC March 15, 2000 *(date received)*

ND April 15, 2000 *(date processed)*

OH October 1, 2000 *(date received)*

OK April 30, 2000 *(date received)*

OR May 1, 2001 *(date received)*

* PA All 1999-2000 State grant recipients and all non-1999-2000 State grant recipients in degree programs—May 1, 2000
All other applicants—August 1, 2000
(date received)

PR May 2, 2001 *(date application signed)*

RI March 1, 2000 *(date received)*

SC June 30, 2000 *(date received)*

TN May 1, 2000 *(date processed)*

* WV March 1, 2000 *(date received)*

Check with your financial aid administrator for these states: AL, AK, *AS, AR, CO, *CT, *FM, GA, *GU, ID, *MP, *MH, MS, *NE, *NV, *NM, *PW, *SD, *TX, UT, *VT, *VI, *VA, WA, WI, and *WY.

* *Additional form may be required* * *Applicants encouraged to obtain proof of mailing*

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Notes for questions **14–15** (page 3)

If you are an eligible noncitizen, write in your eight or nine digit Alien Registration Number. Generally, you are an eligible noncitizen if you are: (1) a U.S. permanent resident and you have an Alien Registration Receipt Card (I-551); (2) a conditional permanent resident (I-551C); or (3) an other eligible noncitizen with an Arrival-Departure Record (I-94) from the U.S. Immigration and Naturalization Service showing any one of the following designations: "Refugee," "Asylum Granted," "Indefinite Parole," "Humanitarian Parole," or "Cuban-Haitian Entrant." If you are in the U.S. on only an F1 or F2 student visa, or only a J1 or J2 exchange visitor visa, or a G series visa (pertaining to international organizations), you must fill in oval **c**. If you are neither a citizen nor eligible noncitizen, you are not eligible for federal student aid. However, you may be eligible for state or college aid. You should check with your financial aid administrator at your school before completing this form.

Notes for questions **18–22** (page 3)

For undergraduates, full time generally means taking at least 12 credit hours in a term or 24 clock hours per week. 3/4 time generally means taking at least 9 credit hours in a term or 18 clock hours per week. Half time generally means taking at least 6 credit hours in a term or 12 clock hours per week. Provide this information about the college you plan to attend.

Notes for question **31** (page 3) — Enter the correct number in the box in question 31.

Enter **1** for 1st bachelor's degree
Enter **2** for 2nd bachelor's degree
Enter **3** for associate degree (occupational or technical program)
Enter **4** for associate degree (general education or transfer program)
Enter **5** for certificate or diploma for completing an occupational, technical, or educational program of less than two years
Enter **6** for certificate or diploma for completing an occupational, technical, or educational program of at least two years
Enter **7** for teaching credential program (nondegree program)
Enter **8** for graduate or professional degree
Enter **9** for other/undecided

Notes for question **32** (page 3) — Enter the correct number in the box in question 32.

Enter **1** for 1st year undergraduate/never attended college
Enter **2** for 1st year undergraduate/attended college before
Enter **3** for 2nd year undergraduate/sophomore
Enter **4** for 3rd year undergraduate/junior
Enter **5** for 4th year undergraduate/senior
Enter **6** for 5th year/other undergraduate
Enter **7** for graduate/professional or beyond

Notes for questions **38 c. and d.** (page 4) and **72 c. and d.** (page 5)

If you filed or will file a foreign tax return, use the information from your foreign tax return to fill out this form. Convert all figures to U.S. dollars, using the exchange rate that is in effect today.

If you filed or will file a tax return with Puerto Rico, Guam, American Samoa, the Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau, use the information from these tax returns to fill out this form.

Notes for questions **39** (page 4) and **73** (page 5)

In general, a person is eligible to file a 1040A or 1040EZ if he or she makes less than $50,000, does not itemize deductions, does not receive income from his or her own business or farm, and does not receive alimony or capital gains. The person is not eligible if he or she itemizes deductions or receives self-employment income, alimony, or capital gains.

Notes for questions **42** (page 4) and **76** (page 5) — only for people who filed a 1040EZ or Telefile

On the 1040EZ, if a person answered "Yes" on line 5, use EZ worksheet line F to determine the number of exemptions ($2750 equals one exemption). If a person answered "No" on line 5, enter 01 if he or she is single, or 02 if he or she is married.

On the Telefile, use line J to determine the number of exemptions ($2750 equals one exemption).

Notes for questions **49–51** (page 4) and **83–85** (page 5)

Net worth means current value minus debt.

Investments include real estate (other than the home you live in), trust funds, money market funds, mutual funds, certificates of deposit, stocks, bonds, other securities, Education IRAs, installment and land sale contracts (including mortgages held), commodities, etc. Investment value includes the market value of these investments. Do not include the value of life insurance and retirement plans (pension funds, annuities, non-Education IRAs, Keogh plans, etc.) or the value of prepaid tuition plans. Investment debt means only those debts that are related to the investments.

Business value includes the market value of land, buildings, machinery, equipment, and inventory. Business debt means only those debts for which the business was used as collateral.

Notes for question **59** (page 4)

Answer **"Yes"** (you are a veteran) if (1) you have engaged in active service in the U.S. Armed Forces (Army, Navy, Air Force, Marines, and Coast Guard), or were a cadet or midshipman at one of the service academies, and (2) you were released under a condition other than dishonorable. Also answer "Yes" if you are not a veteran now but will be one by June 30, 2001.

Answer **"No"** (you are not a veteran) if (1) you have never served in the U.S. Armed Forces, or (2) you are currently an ROTC student, a cadet or midshipman at a service academy, or a National Guard or Reserves enlistee (and were not activated for duty). Also answer "No" if you are currently serving in the U.S. Armed Forces and will continue to serve through June 30, 2001.

Free Application for Federal Student Aid

OMB 1845-0001

July 1, 2000 — June 30, 2001 school year

Step One: For questions 1-36, leave blank any questions that do not apply to you (the student).

1-3. Your full name (as it appears on your Social Security card)
1. LAST NAME: FOR INFORMATION ONLY
2. FIRST NAME: DO NOT SUBMIT
3. M.I.

4-7. Your permanent mailing address
4. NUMBER AND STREET (INCLUDE APARTMENT NUMBER)
5. CITY (AND COUNTRY, IF NOT U.S.)
6. STATE
7. ZIP CODE

8. Your Social Security Number: XXX - XX - XXXX

9. Your date of birth: MONTH / DAY / YEAR (19__)

10. Your permanent telephone number: AREA CODE

11. Do you have a driver's license? Yes ○ 1 No ○ 2

12-13. Driver's license number and state
12. LICENSE NUMBER
13. STATE

14. Are you a U.S. citizen? Pick one. **See Page 2.**
- **a.** Yes, I am a U.S. citizen. ○ 1
- **b.** No, but I am an eligible noncitizen. **Fill in question 15.** ○ 2
- **c.** No, I am not a citizen or eligible noncitizen. ○ 3

15. ALIEN REGISTRATION NUMBER: A

16. Marital status as of today
- I am single, divorced, or widowed. ○ 1
- I am married. ○ 2
- I am separated. ○ 3

17. Month and year you were married, separated, divorced, or widowed: MONTH / YEAR

For each question (18 - 22), please mark whether you will be full time, 3/4 time, half time, less than half time, or not attending. Mark "Full time" if you are not sure. See page 2.

18. Summer 2000	Full time ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
19. Fall semester or quarter 2000	Full time ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
20. Winter quarter 2000-2001	Full time ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
21. Spring semester or quarter 2001	Full time ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
22. Summer 2001	Full time ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
23. Highest school your father completed	Middle school/Jr. High ○ 1	High school ○ 2	College or beyond ○ 3	Other/unknown ○ 4	
24. Highest school your mother completed	Middle school/Jr. High ○ 1	High school ○ 2	College or beyond ○ 3	Other/unknown ○ 4	

25. What is your state of legal residence? STATE

26. Did you become a legal resident of this state before January 1, 1995? Yes ○ 1 No ○ 2

27. If the answer to question 26 is **"No,"** give month and year you became a legal resident. MONTH / YEAR

28. If you have **never** been convicted of any illegal drug offense, enter "1" in the box and go to question 29. A drug-related conviction does not necessarily make you ineligible for aid; call 1-800-433-3243 or go to http://www.fafsa.ed.gov/q28 to find out how to fill out this question.

29. Most male students must register with Selective Service to get federal aid. Are you male? Yes ○ 1 No ○ 2

30. If you are male (age 18-25) and not registered, do you want Selective Service to register you? Yes ○ 1 No ○ 2

31. What degree or certificate will you be working towards during 2000-2001? **See page 2** and enter the correct number in the box.

32. What will be your grade level when you begin the 2000-2001 school year? **See page 2** and enter the correct number in the box.

33. Will you have a high school diploma or GED before you enroll? Yes ○ 1 No ○ 2

34. Will you have your first bachelor's degree before July 1, 2000? Yes ○ 1 No ○ 2

35. In addition to grants, are you interested in student loans (which you must pay back)? Yes ○ 1 No ○ 2

36. In addition to grants, are you interested in "work-study" (which you earn through work)? Yes ○ 1 No ○ 2

Step Two: For 37-51, if you (the student) are now married (even if you were not married in 1999), report both your and your spouse's income and assets. Ignore references to "spouse" if you are currently single, separated, divorced, or widowed.

37. For 1999, have you filed your IRS income tax return or another tax return listed in **question 38**?

a. I have already filed. ○ 1 **b.** I will file, but I have not yet filed. ○ 2 **c.** I'm not going to file. **(Skip to question 44.)** ○ 3

38. What income tax return did you file or will you file for 1999?

a. IRS 1040 ○ 1 **c.** A foreign tax return. **See Page 2.** ○ 3

b. IRS 1040A, 1040EZ, 1040Telefile ○ 2 **d.** A tax return for Puerto Rico, Guam, American Samoa, the Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau. **See Page 2** ○ 4

39. If you have filed or will file a 1040, were you eligible to file a 1040A or 1040EZ? **See page 2.** Yes ○ 1 No/don't know ○ 2

For questions 40-53, if the answer is zero or the question does not apply to you, enter 0.

40. What was your (and spouse's) adjusted gross income for 1999? Adjusted gross income is on IRS Form 1040–line 33; 1040A–line 18; 1040EZ–line 4; or Telefile–line I. $,

41. Enter the total amount of your (and spouse's) income tax for 1999. Income tax amount is on IRS Form 1040–line 49 plus 51; 1040A–line 32; 1040EZ–line 10; or Telefile–line K. $,

42. Enter your (and spouse's) exemptions. Exemptions are on IRS Form 1040–line 6d, or on Form 1040A–line 6d. For Form 1040EZ or Telefile, **see page 2.**

43. Enter your Earned Income Credit from IRS Form 1040–line 59a; 1040A–line 37a; 1040EZ–line 8a; or Telefile–line L. $,

44-45. How much did you (and spouse) earn from working in 1999? Answer this question whether or not you filed a tax return. This information may be on your W-2 forms, or on IRS Form 1040–lines 7, 12, and 18; 1040A–line 7; or 1040EZ–line 1. Telefilers should use their W-2's.

You (44) $,

Your Spouse (45) $,

46. Go to page 8 of this form; complete the column on the left of **Worksheet A**; enter student total here. $,

47. Go to page 8 of this form; complete the column on the left of **Worksheet B**; enter student total here. $,

48. Total current balance of cash, savings, and checking accounts $,

For 49-51, if net worth is one million or more, enter $999,999. If net worth is negative, enter 0.

49. Current net worth of investments (investment value minus investment debt) **See page 2.** $,

50. Current net worth of business (business value minus business debt) **See page 2.** $,

51. Current net worth of investment farm (Don't include a farm that you live on and operate.) $,

52-53. If you receive veterans education benefits, for **how many months** from July 1, 2000 through June 30, 2001 will you receive these benefits, and **what amount** will you receive per month? Do not include your spouse's veterans education benefits.

Months (52)

Amount (53) $

Step Three: Answer all six questions in this step.

54. Were you born before January 1, 1977? Yes ○ 1 No ○ 2

55. Will you be working on a degree beyond a bachelor's degree in school year 2000-2001? Yes ○ 1 No ○ 2

56. As of today, are you married? (Answer yes if you are separated, but not divorced.) Yes ○ 1 No ○ 2

57. Answer "**Yes**" if: (1) You have children who receive more than half of their support from you; **or** (2) You have dependents (other than your children or spouse) who live with you and receive more than half of their support from you, now and through June 30, 2001. Yes ○ 1 No ○ 2

58. Are you an orphan or ward of the court or were you a ward of the court until age 18? Yes ○ 1 No ○ 2

59. Are you a veteran of the U.S. Armed Forces? **See page 2.** Yes ○ 1 No ○ 2

If you (the student) answer "No" to every question in Step Three, go to Step Four.

If you answer "Yes" to any question in Step Three, skip Step Four and go to Step Five.

(If you are a graduate health profession student, you may be required to complete Step Four even if you answered "Yes" to any question in Step Three.)

Step Four: Complete this step if you (the student) answered "No" to all questions in Step Three.
Please tell us about your parents. **See page 7 for who is considered a parent.**

60. Parents' marital status as of today? (Pick one.) Married ○ 1 Single ○ 2 Divorced/Separated ○ 3 Widowed ○ 4

61-62. Your father's Social Security Number and last name — 61. FATHER'S/STEPFATHER'S SSN ___-___-____ 62. FATHER'S/STEPFATHER'S LAST NAME

63-64. Your mother's Social Security Number and last name — 63. MOTHER'S/STEPMOTHER'S SSN ___-___-____ 64. MOTHER'S/STEPMOTHER'S LAST NAME

65. How many people are in your parents' household? **See page 7.**

66. How many in question 65 **(exclude your parents)** will be college students between July 1, 2000, and June 30, 2001? **See page 7.**

67. What is your parents' state of legal residence? STATE

68. Did your parents become legal residents of the state in question 67 before January 1, 1995? Yes ○ 1 No ○ 2

69. If the answer to question 68 is "No," give the month and year legal residency began for the parent who has lived in the state the longest. MONTH ___ / YEAR ____

70. What is the age of your older parent?

71. For 1999, have your parents filed their IRS income tax return or another tax return listed in **question 72**?
a. My parents have already filed. ○ 1 **b.** My parents will file, but they have not yet filed. ○ 2 **c.** My parents are not going to file. **(Skip to question 78.)** ○ 3

72. What income tax return did your parents file or will they file for 1999?
a. IRS 1040 ..... ○ 1
b. IRS 1040A, 1040EZ, 1040Telefile ..... ○ 2
c. A foreign tax return. **See Page 2.** ..... ○ 3
d. A tax return for Puerto Rico, Guam, American Samoa, the Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau. **See Page 2.** ..... ○ 4

73. If your parents have filed or will file a 1040, were they eligible to file a 1040A or 1040EZ? **See page 2.** Yes ○ 1 No/don't know ○ 2

For 74 - 85, if the answer is zero or the question does not apply, enter 0.

74. What was your parents' adjusted gross income for 1999? Adjusted gross income is on IRS Form 1040–line 33; 1040A–line 18; 1040EZ–line 4; or Telefile–line I. $ ___,___

75. Enter the total amount of your parents' income tax for 1999. Income tax amount is on IRS Form 1040–line 49 plus 51; 1040A–line 32; 1040EZ–line 10; or Telefile–line K. $ ___,___

76. Enter your parents' exemptions. Exemptions are on IRS Form 1040–line 6d or on Form 1040A–line 6d. For Form 1040EZ or Telefile, **see page 2.**

77. Enter your parents' Earned Income Credit from IRS Form 1040–line 59a; 1040A–line 37a; 1040EZ–line 8a; or Telefile–line L. $ ___,___

78-79. How much did your parents earn from working in 1999? Answer this question whether or not your parents filed a tax return. This information may be on their W-2 forms, or on IRS Form 1040–lines 7, 12, and 18; 1040A–line 7; or 1040EZ–line 1. Telefilers should use their W-2's.
Father/Stepfather (78) $ ___,___
Mother/Stepmother (79) $ ___,___

80. Go to page 8 of this form; complete the column on the right of **Worksheet A**; enter parent total here. $ ___,___

81. Go to page 8 of this form; complete the column on the right of **Worksheet B**; enter parent total here. $ ___,___

82. Total current balance of cash, savings, and checking accounts $ ___,___

For 83–85, if net worth is one million or more, enter $999,999. If net worth is negative, enter 0.

83. Current net worth of investments (investment value minus investment debt) **See page 2** $ ___,___

84. Current net worth of business (business value minus business debt) **See page 2.** $ ___,___

85. Current net worth of investment farm (Don't include a farm that your parents live on and operate.) $ ___,___

Now go to Step Six.

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Step Five: Complete this step only if you (the student) answered "Yes" to any question in Step Three.

86. How many people are in your (and your spouse's) household? **See page 7.**

87. How many in question 86 will be college students between July 1, 2000, and June 30, 2001? **Do not include your parents. See page 7.**

Step Six: Please tell us which schools should receive your information.

For each school (up to six), please provide the federal school code and your housing plans **(enter "1" for on campus, "2" for off campus, and "3" for with parents)**. Look for the federal school codes on the Internet at **http://www.ed.gov/studentaid**, at your college financial aid office, at your public library, or by asking your high school guidance counselor. If you cannot get the federal school code, write in the complete name, address, city, and state of the college.

	Federal school code	*OR* Name of college	College street address and city	State	Housing Plans
88.	FIRST SCHOOL CODE				89.
90.	SECOND SCHOOL CODE				91.
92.	THIRD SCHOOL CODE				93.
94.	FOURTH SCHOOL CODE				95.
96.	FIFTH SCHOOL CODE				97.
98.	SIXTH SCHOOL CODE				99.

Step Seven: Please read, sign, and date.

By signing this application, you agree, if asked, to provide information that will verify the accuracy of your completed form. This information may include a copy of your U.S. or state income tax form. Also, you certify that you (1) will use federal and/or state student financial aid only to pay the cost of attending an institution of higher education, (2) are not in default on a federal student loan or have made satisfactory arrangements to repay it, (3) do not owe money back on a federal student grant or have made satisfactory arrangements to repay it, (4) will notify your school if you default on a federal student loan, and (5) understand that **the Secretary of Education has the authority to verify income reported on this application with the Internal Revenue Service.** If you purposely give false or misleading information, you may be fined $10,000, sent to prison, or both.

100. Date this form was completed.

MONTH / DAY / **2000** ○ **or 2001** ○

101. Student signature (Sign in box)

FOR INFORMATION ONLY.

Parent signature (one parent whose information is provided in Step Four.) (Sign in box)

DO NOT SUBMIT.

If this form was filled out by someone other than you, your spouse, or your parent(s), that person must complete this part.

Preparer's Name and Firm _____

Address _____

102. Social Security # – –

OR

103. Employer ID # –

104. Signature and Date

SCHOOL USE ONLY

D/O ○ Federal School Code

FAA SIGNATURE

MDE USE ONLY

Special Handle –

Notes for questions **60–85** (page 5) **Step Four:** Who is considered a parent in this Step?

If your parents are both living and married to each other, answer the questions about them. (You will be providing information about two people.)

If your parent is widowed or single, answer the questions about that parent. (You will be providing information about one person.) If your widowed parent has remarried as of today, answer the questions about that parent and the person whom your parent married. (You will be providing information about two people.)

If your parents have divorced or separated, answer the questions about the parent you lived with more during the past 12 months. If you did not live with one parent more than the other, give answers about the parent who provided more financial support during the last 12 months, or during the most recent year that you actually were supported by a parent. (You will be providing information about one person.) If this parent has remarried as of today, answer the questions on the rest of this form about that parent and the person whom your parent married. (You will be providing information about two people.)

Notes for question **65** (page 5)

Include in your parents' household:

- yourself and your parents, and
- your parents' other children if (a) your parents will provide more than half of their support from July 1, 2000 through June 30, 2001 or (b) the children could answer "No" to every question in Step Three, and
- other people if they now live with your parents, your parents provide more than half of their support and will continue to provide more than half of their support from July 1, 2000 through June 30, 2001.

Notes for questions **66** (page 5) and **87** (page 6)

Count yourself as a college student even if you will attend college less than half time in 2000-2001. **Do not include your parents.** Include others only if they will attend at least half time in 2000-2001 in a program that leads to a college degree or certificate.

Notes for question **86** (page 6)

Include in your (and your spouse's) household:

- yourself (and your spouse, if you have one), and
- your children, if you will provide more than half of their support from July 1, 2000 through June 30, 2001, and
- other people if they now live with you, and you provide more than half of their support and will continue to provide more than half of their support from July 1, 2000 through June 30, 2001.

Information on the Privacy Act and use of your Social Security Number.

We use the information that you provide on this form to determine if you are eligible to receive federal student financial aid and the amount that you are eligible to receive. Section 483 of the Higher Education Act of 1965, as amended, gives us the authority to ask you and your parents these questions, and to collect the social security numbers of you and your parents.

State and institutional student financial aid programs may also use the information that you provide on this form to determine if you are eligible to receive state and institutional aid and the need that you have for such aid. Therefore, we will disclose the information that you provide on this form to each institution you list in questions 88–99, state agencies in your state of legal residence, and the state agencies of the states in which the colleges that you list in questions 88–99 are located.

If you are applying solely for federal aid, you must answer all of the following questions that apply to you: 1–9, 14–16, 25, 28–30, 33–34, 37–41, 43–51, 54–60, 65–67, 70–75, 77-87, and 100–101. If you do not answer these questions, you will not receive federal aid.

Without your consent, we may disclose information that you provide to entities under a published "routine use." Under such a routine use, we may disclose information to third parties that we have authorized to assist us in administering the above programs; to other federal agencies under computer matching programs, such as those with the Internal Revenue Service, Social Security Administration, Selective Service System, Immigration and Naturalization Service, and Veterans Administration; to your parents or spouse; and to members of Congress if you ask them to help you with student aid questions.

If the federal government, the U.S. Department of Education, or an employee of the U.S. Department of Education is involved in litigation, we may send information to the Department of Justice, or a court or adjudicative body, if the disclosure is related to financial aid and certain conditions are met. In addition, we may send your information to a foreign, federal, state, or local enforcement agency if the information that you submitted indicates a violation or potential violation of law, for which that agency has jurisdiction for investigation or prosecution. Finally, we may send information regarding a claim that is determined to be valid and overdue to a consumer reporting agency. This information includes identifiers from the record, the amount, status, and history of the claim; and the program under which the claim arose.

State Certification.

By submitting this application, you are giving your state financial aid agency permission to verify any statement on this form and to obtain income tax information for all persons required to report income on this form.

The Paperwork Reduction Act of 1995

The Paperwork Reduction Act of 1995 says that no one is required to respond to a collection of information unless it displays a valid OMB control number, which for this form is 1845-0001. The time required to complete this form is estimated to be one hour, including time to review instructions, search data resources, gather the data needed, and complete and review the information collection. If you have comments about this estimate or suggestions for improving this form, please write to: U.S. Department of Education, Washington DC 20202-4651.

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Worksheets – Even though you may have few of these items, check carefully.

Do not mail these worksheets in with your application. Keep these worksheets with a copy of your application.

Worksheet A

For question **46:** Enter and add together all of the following that apply to you (and your spouse) in the column on the left. Enter the total amount in question 46 on page 4.

For question **80:** Enter and add together all of the following that apply to your parents in the column on the right (if you are required to complete Step 4 of the application). Enter the total amount in question 80 on page 5.

For question 46 Student (and spouse)	**Calendar Year 1999**	**For question 80 Parent(s)**
$	Payments to tax-deferred pension and savings plans (paid directly or withheld from earnings), including amounts reported on the W-2 Form in Box 13, codes D, E, F, G, H, and S. Include untaxed portions of 401(k) and 403(b) plans.	$
$	Deductible IRA and/or Keogh payments. IRS Form 1040–total of lines 23 and 29; or 1040A–line 15	$
$	Child support **received** for all children. Don't include foster care or adoption payments.	$
$	Welfare benefits, including Temporary Assistance for Needy Families (TANF). Don't include food stamps.	$
$	Tax exempt interest income from IRS Form 1040–line 8b, or 1040A–line 8b	$
$	Foreign income exclusion from IRS Form 2555–line 43; or 2555EZ–line 18	$
$	Untaxed portions of pensions from IRS Form 1040–(line 15a minus 15b) plus (16a minus 16b); or 1040A–(line 10a minus 10b) plus (11a minus 11b) excluding rollovers	$
$	Credit for federal tax on special fuels from IRS Form 4136–line 9 – nonfarmers only	$
$	Social Security benefits received that were not taxed	$
$	Housing, food, and other living allowances paid to members of the military, clergy, and others (including cash payments and cash value of benefits)	$
$	Workers' Compensation	$
$	Veterans noneducation benefits, such as Death Pension or Dependency & Indemnity Compensation (DIC)	$
$	Any other untaxed income and benefits, such as VA Educational Work-Study allowances, untaxed portions of Railroad Retirement Benefits, Black Lung Benefits, Refugee Assistance, etc. Don't include student aid, educational WIA (formerly JTPA) benefits, or benefits from flexible spending arrangements, e.g., cafeteria plans.	$
$	Cash **received**, or any money paid on your behalf, not reported elsewhere on this form	XXXXXXXXX
$	(Enter this amount in question 46.) (Enter this amount in question 80.)	$
Student (and spouse) total		**Parent(s) total**

Worksheet B

For question **47:** Enter and add together all of the following that apply to you (and your spouse) in the column on the left. Enter the total amount in question 47 on page 4.

For question **81:** Enter and add together all of the following that apply to your parents in the column on the right (if you are required to complete Step 4 of the application). Enter the total amount in question 81 on page 5.

For question 47 Student (and spouse)	**Calendar Year 1999**	**For question 81 Parent(s)**
$	Education credits (Hope and Lifetime Learning Tax Credits) from IRS Form 1040-line 44; or 1040A-line 29.	$
$	Child support **paid** because of divorce or separation. Do not include support for children in your (or your parents') household, as reported in question 86 (or question 65 for your parents).	$
$	Taxable earnings from Federal Work-Study or other need-based work programs	$
$	AmeriCorps awards — living allowances only	$
$	Student grant and scholarship aid (in excess of the tuition, fees, books, and supplies) that was reported to the IRS in question 40 for students and 74 for parents	$
$	(Enter this amount in question 47.) (Enter this amount in question 81.)	$
Student (and spouse) total		**Parent(s) total**

free application for federal student aid

what's new on the

- Question 28 gives instructions to students about convictions for drug offenses. In certain cases, students convicted of drug-related offenses may not be eligible to receive federal financial aid for a period of time.
- Questions 61-64 collect your parents' Social Security Numbers and last names. The Department of Education has the authority to verify income reported on the FAFSA with the Internal Revenue Service (IRS).
- Questions 66 and 87 ask for the number of people in your household who are attending college. This number no longer includes parents in college.

am I eligible for

The Department of Education uses the information provided on your FAFSA to determine your eligibility for aid from the federal Student Financial Assistance (SFA) programs described below. Many states and schools also use the FAFSA to award aid from their programs. Some states and schools may require you to fill out additional forms.

Some of the requirements to receive aid from federal SFA programs are that you must

- be a citizen or eligible noncitizen of the United States with a valid Social Security Number;
- have a high school diploma or a General Education Development (GED) certificate or pass an approved "ability to benefit" test;
- enroll in an eligible program as a regular student seeking a degree or certificate; and
- register (or have registered) for Selective Service, if you are a male between the ages of 18-25.

how do I app

Completing the FAFSA is the first step in the financial aid process . It will take us 3-4 weeks to process your form and send you a Student Aid Report (SAR) by mail. Your SAR will summarize the data you report on your application. Please check this information carefully to make sure it is accurate. Keep a copy of your SAR and note your Data Release Number (DRN) in the upper right hand corner of the first page; you will need your DRN if you decide to apply to additional schools. If your FAFSA information is complete, an Expected Family Contribution (EFC) will be printed next to your DRN. Your EFC will be based on the financial information you provide on the FAFSA, and your school will use it to award your financial aid.

For additional help filling out the FAFSA, you can go to our "Completing the FAFSA" web site at **www.ed.gov/prog_info/SFA/FAFSA**

what are the SF

Your financial aid package is likely to include funds from the SFA programs. Note that not all schools participate in all SFA programs. These programs, described below, are administered by the U.S. Department of Education and provide over $33 billion a year to students attending postsecondary schools:

- **Federal Pell Grants** are available to undergraduate students only. Grants do not have to be repaid. For the 1999-2000 school year, Federal Pell Grant awards ranged from $400 to $3,125.
- **Federal Stafford Loans** are student loans that must be repaid and are available to both undergraduate and graduate students. If your school participates in the William D. Ford Federal Direct Loan (Direct Loan) Program, the federal government provides the funds for your Stafford Loan. If your school participates in the Federal Family Education Loan (FFEL) Program, a private lender provides the funds for your Stafford Loan, although the federal government guarantees the loan funds. First-year undergraduates are eligible for loans up to $2,625. Amounts increase for subsequent years of study, with higher amounts for graduate students. The interest rate is variable, but never exceeds 8.25 percent.

  If you qualify (based on need) for a **subsidized** Stafford loan, the government will pay the interest on your loan while you are in school, during grace periods, and during any deferment periods. You are responsible for paying all of the interest that accrues on an **unsubsidized** Stafford Loan.

- **Federal PLUS Loans** are unsubsidized loans made to parents. If you are independent or your parents cannot get a PLUS loan, you are eligible to borrow additional Stafford Loan funds. The interest rate is variable, but never exceeds 9 percent.
- **Campus-Based Programs** are administered by participating schools. There are three of these programs. **Federal Supplemental Educational Opportunity Grants** are grants available for undergraduates only; awards range from $100-$4,000. **Federal Work Study** provides jobs to undergraduate and graduate students, allowing them to earn money to pay education expenses. **Perkins Loans** are low-interest (5 percent) loans that must be repaid; the maximum annual loan amount is $4,000 for undergraduate students and $6,000 for graduate students.

For more information about federal student aid, you can explore the Department of Education's web site at **www.ed.gov/studentaid**

how will I receive

The school to which you are applying will prepare a financial aid package to help meet your financial need. **Financial need** is the difference between your school's **cost of attendance** (including living expenses), as calculated by your school, and your **EFC**.

The amount of your financial aid award depends on whether you're a full-time or part-time student and whether you attend school for a full academic year or less. If you believe that you have special circumstances that should be taken into account, such as unusual medical or dental expenses or a significant change in income from one year to the next, contact the financial aid administrator at the school(s) to which you are applying.

Aid from the SFA programs will be paid to you through your school. The school will notify you of your aid package by sending you an award letter. Your aid awards will likely be disbursed each semester, quarter, or other payment period. Typically, your school will first use the aid to pay tuition and fee charges and room and board, if provided by the school. The remainder will be paid to you for your other expenses.

am I eligible for other

There are two educational income tax credits that can reduce your or your family's federal taxes. They are based on your college tuition and fee charges. The Hope tax credit can be claimed during the first two years of college, up to a maximum of $1,500 per year. The Lifetime Learning tax credit is available for any level of postsecondary study, up to a current maximum of $1,000 per year. Note that only one type of credit (Hope or Lifetime Learning) may be claimed for a student in any given year. For more information about tax credits, you can visit the IRS web site at **www.irs.gov**

where can I find m

The financial aid office at the school you plan to attend is the best place to begin your search for free information. The financial aid administrator can tell you about student aid available from your state, the school itself, and other sources. The school is required to inform you of its aid procedures and deadlines, and how and when you'll receive your aid award. Be sure that you've read and understood each school's satisfactory academic progress policy and keep copies of your enrollment agreement, the school's catalog, and all financial aid documents (especially loan documents) you receive.

You can also find free information about federal, state, institutional, and private student aid in your local library's reference section (usually listed under "student aid" or "financial aid"). Student aid information may also be available from foundations, religious organizations, community organizations, and civic groups, as well as organizations related to your field of interest, such as the American Medical Association or American Bar Association. Check with your parents' employers or unions to see if they award scholarships or have tuition payment plans.

WORKSHEET FOR QUESTION 28

DO NOT SUBMIT THIS WORKSHEET. KEEP IT FOR YOUR RECORDS. You should complete and submit your FAFSA even if you are not eligible for federal student aid. You may be eligible for financial aid from other sources.

This worksheet helps you determine whether you answer question 28 on the FAFSA with a **1, 2, or 3. You can have only one answer.** Do not count convictions for which you were treated as a juvenile or which have been removed from your record. If you have been convicted of both possessing and selling illegal drugs do not use this worksheet. Please call 1-800-4FED-AID for assistance in completing question 28 on the FAFSA.

"1" Means you may be eligible to receive federal student financial aid for the 2000-2001 award year.

"2" Means you may become eligible for federal student financial aid during the 2000-2001 award year. You may become eligible earlier in the award year by completing an acceptable drug rehabilitation program.

"3" Means you are not eligible for federal student financial aid for the 2000-2001 award year unless you complete an acceptable drug rehabilitation program.

*Note: An acceptable drug rehabilitation program must include at least 2 unannounced drug tests, **and***

- *be qualified to receive funds from a federal, state or local government or from a federally- or state-licensed insurance company, **or***
- *be administered or recognized by a federal, state or local government agency or court, or a federally- or state-licensed hospital, health clinic or medical doctor.*

1

Enter "1" for question 28 on the FAFSA if you have:

- never been convicted for possessing or selling illegal drugs, **or**
- completed an acceptable drug rehabilitation program since your last conviction, **or**
- had all convictions for selling or possessing illegal drugs removed from your record, **or**
- been treated as a juvenile for all convictions, **or**
- no more than one conviction, before July 1, 1998, for selling illegal drugs, **or**
- no more than one conviction, before July 1, 1999, for possessing illegal drugs, **or**
- no more than two convictions, before July 1, 1998, for possessing illegal drugs

If you enter "1" for question 28 on the FAFSA, you do not need to answer any other questions on this page.

2

Enter "2" if any of the following apply to you. This information pertains to the date of your most recent conviction(s).

- **Possession of Illegal Drugs:**
  - Only one conviction. Did your conviction occur on or after July 1, 1999 and on or before June 30, 2000? (You may become eligible one year from the conviction date.)
  - Only two convictions. Did your second conviction occur on or after July 1, 1998 and on or before June 30, 1999? (You may become eligible two years from the second conviction date.)
- **Sale of Illegal Drugs:**
  - Only one conviction. Did your conviction occur on or after July 1, 1998 and on or before June 30, 1999? (You may become eligible two years from the conviction date.)

If you enter "2" for question 28 on the FAFSA, you do not need to answer any other questions on this page.

3

Enter "3" for question 28 on the FAFSA if any of the following apply:

- You have more than 2 convictions for possessing illegal drugs.
- You have more than 1 conviction for selling illegal drugs.
- You have 1 or 2 convictions for possessing illegal drugs, or you have 1 conviction for selling illegal drugs, but the date(s) of your conviction does not fall within the ranges described for "1" or "2".

If you become eligible for federal student financial aid by completing an acceptable drug rehabilitation program or your eligibility date arrives, you should contact your school's financial aid office. If you are convicted of possessing or selling drugs after you submit your FAFSA, you must notify your financial aid administrator immediately. You will lose eligibility and be required to pay back all aid received after conviction. You can call 1-800-4FED-AID if you have any questions.

12/99

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Appendix A

Sources of Additional Information

For information on any federal student financial aid program discussed in this handbook, you or your students may call the Federal Student Aid Information Center (FSAIC):

1-800-4-FED-AID (1-800-433-3243)—a toll-free number

TTY: 1-800-730-8913—a toll-free number for the hearing impaired

8 a.m. to 8 p.m. (eastern time), Monday through Friday (as of spring 2000, lines will close at midnight)

The FSAIC provides the following services:

- helping complete the *Free Application for Federal Student Aid* (FAFSA),
- explaining the *Student Aid Report* (SAR) produced from the FAFSA and how to make corrections,
- checking on the processing status of the FAFSA,
- requesting a duplicate SAR,
- changing the student's address or the schools that receive the student's information,
- checking on whether a school participates in federal student aid programs,
- explaining who is eligible for federal student aid,
- explaining how federal student aid is awarded and paid,
- explaining the "verification" process, and
- mailing requested publications.

The FSAIC is NOT able to:

- make policy,
- expedite the federal student aid application process,
- discuss a student's federal student aid file with an unauthorized person,
- influence an individual school's financial aid policies.

A high school student's best initial sources of information on federal student aid are *Funding Your Education* (see the annotated listing that follows), the notes in the FAFSA, high school counselors, and postsecondary school financial aid administrators.

Web sites

If you or your students have access to the Internet, you can consult the U.S. Department of Education's (ED's) web site. This site provides general information about ED and federal student financial aid, as well as access to some of ED's publications.

- The main site address for information about ED's financial aid programs and publications is **http://www.ed.gov/studentaid**
- The current version of *Funding Your Education* is available at **http://www.ed.gov/prog_info/SFA/FYE**

- Federal school codes (to be entered on the FAFSA) can be found at **http://www.fafsa.ed.gov** by clicking on "Entering A FAFSA Online" and then clicking on "Federal School Code Search."

- The current version of the *Student Guide* is available through the main address and **http://www.ed.gov/prog_info/SFA/StudentGuide**

- The *Think College* web site—A web site designed to provide publications and information on postsecondary opportunities for people of all ages. It contains links to *Think College Early* (middle school students), *High School and Beyond* (high school students), and *Returning to School* (adults). It can be accessed at **http://www.ed.gov/thinkcollege**

Note: A list of selected web sites dealing with student financial aid is available as an easy-to-photocopy handout for students in Appendix C.

Free publications

Individual copies of the following publications are available from

Federal Student Aid Information Center
P.O. Box 84
Washington, DC 20044

1-800-4-FED-AID (1-800-433-3243)
TTY: **1-800-730-8913**
Toll number for inquirers calling from foreign countries: **1-319-337-5665**

- *Funding Your Education*—A free booklet, geared toward high school students, giving federal student financial aid application information and describing ED's major financial aid programs. Copies are available in English or Spanish.

- *Looking for Student Aid*—A free guide about using scholarship search services and looking for information about financial aid.

- *The Student Guide*—A free guide providing a comprehensive description of the federal student aid programs and how to apply for them.

- *School Shopping Tips*—A free guide about choosing a school carefully. It suggests specific things to look for when choosing a school (especially a vocational school) and a career and briefly mentions the major types of financial aid.

- *College is Possible*—A free brochure (in English or Spanish) containing an extensive list of sources of information on preparing for college, choosing the right college, and paying for college published by the Coalition of America's Colleges and Universities. Information also can be accessed at **http://CollegeIsPossible.org**

- *Think College? Me? Now?*—A free handbook for students in middle school and junior high. It explains why students should consider college, how to prepare academically, and how to pay for college. The text is also available at **http://www.ed.gov/pubs/CollegeMeNow**

Low-cost publications

- *Need a Lift?*—This publication contains a survey of educational opportunities, loans, scholarships, and careers. The cost, including shipping, is $4.95. For credit card orders only, call **1-888-453-4466**. If paying by check, make the check out to National Emblem Sales and send it to

  The American Legion
  National Emblem Sales
  P.O. Box 1050
  Indianapolis, IN 46206

  Toll free: **1-888-453-4466** (credit card orders only)

- *Make it Happen!*—A step-by-step guide to college for students in grades 8 through 10. It is available for $1 per copy (multiple copies are discounted but require a shipping charge). If paying by check, make the check out to TERI and send it to

The Education Resources Institute TERI
Higher Education Information Center
Youth Programs Department
330 Stuart Street, Suite 500
Boston, MA 02116

1-617-542-3900, ext. 200

- **The National Association for College Admission Counseling (NACAC)** has a number of useful publications. Some of the publications are:

  - *Guide for Parents/Guía para los Padres*, a brochure for parents of middle school students that addresses college admission and financial aid. Available in English or Spanish. Single copies are free. Contact NACAC for other pricing.
  - *Guide to the College Admission Process*, a booklet that details every step of the admission process for high school students. Cost: $4 for a single copy for members; $6 for nonmembers. Contact NACAC for other pricing.
  - *Parents and Counselors Together* (PACT) is designed especially for first-generation college students and to be used in parent workshops. A free copy can be downloaded in English or Spanish from NACAC's web site (see below). Contact NACAC to determine whether hard copies are available. Quantity discounts are available.

To order any of NACAC's publications, call **1-703-836-2222** (8:30 a.m. to 4:30 p.m., eastern time) or write to

NACAC Publications/Media
P.O. Box 18214
Merrifield, VA 22118-0214

Web site: **http://www.nacac.com**

Appendix B

Directory of State Agencies

Listed below for each state are the agencies responsible for administering the **Leveraging Educational Assistance Partnership (LEAP) Program,** formerly the State Student Incentive Grant (SSIG) Program, and the **Robert C. Byrd Honors Scholarship Program** in that state.

Alabama

LEAP Program:

Alabama Commission on Higher Education
Grants and Scholarships Department
P.O. Box 302000
Montgomery, Alabama 36130-2123
TEL: (334) 242-1998

Byrd Program:

State Department of Education
Gordon Persons Office Building
50 North Ripley Street
Montgomery, Alabama 36130-3901
TEL: (334) 242-8082

Alaska

LEAP Program:

Does not participate

Byrd Program:

Alaska Department of Education
Goldbelt Place
801 West 10th Street, Suite 200
Juneau, Alaska 99801-1894
TEL: (907) 465-2800

Arizona

LEAP Program:

Arizona Commission for Postsecondary Education
2020 North Central Avenue, Suite 275
Phoenix, Arizona 85004-4503
TEL: (602) 229-2591

Byrd Program:

State Department of Education
1535 West Jefferson
Phoenix, Arizona 85007
TEL: (602) 542-7469

Arkansas

LEAP Program:

Arkansas Department of Higher Education
114 East Capitol
Little Rock, Arkansas 72201-3818
TEL: 1-800-547-8839 (toll free)

Byrd Program:

Arkansas Department of Education
4 State Capitol Mall
Little Rock, Arkansas 72201-1071
TEL: (501) 682-4237

California

LEAP Program:
California Student Aid Commission
P.O. Box 419026
Rancho Cordova, California 95741-9026
TEL: (916) 526-7590

Byrd Program:
California Student Aid Commission
P.O. Box 419029
Rancho Cordova, California 95741-9029
TEL: (916) 526-7968

Colorado

LEAP Program:
Colorado Commission on Higher Education
1300 Broadway, 2nd Floor
Denver, Colorado 80203
TEL: (303) 866-2723

Byrd Program:
Colorado Department of Education
201 East Colfax Avenue
Denver, Colorado 80203-1705
TEL: (303) 866-6678

Connecticut

LEAP and Byrd Programs:
Connecticut Department of Higher Education
61 Woodland Street
Hartford, Connecticut 06105-2326
TEL: (860) 947-1855 (local)

Delaware

LEAP and Byrd Programs:
Delaware Higher Education Commission
Carvel State Office Building
820 North French Street
Wilmington, Delaware 19801
TEL: (302) 577-3240

District of Columbia

LEAP Program:
Department of Human Services
Office of Postsecondary Education
Research and Assistance
2100 Martin Luther King, Jr. Avenue, SE
Suite 401
Washington, DC 20020
TEL: (202) 727-3688

Byrd Program:
District of Columbia Public Schools
Student Affairs Branch
825 N. Capitol Street, NE
Washington, DC 20002
TEL: (202) 442-5110

Florida

LEAP and Byrd Programs:
Florida Department of Education
Office of Student Financial Assistance
255 Collins Building
325 West Gaines Street
Tallahassee, Florida 32399-0400
TEL: 1-888-827-2004 (toll free)

Georgia

LEAP Program:
Applying for participation at time this book was published; call 1-800-776-6878 for further information

Byrd Program:
Georgia Department of Education
2066 Twin Towers East
205 Butler Street
Atlanta, Georgia 30334
TEL: (404) 657-0183

Hawaii

LEAP Program:

Hawaii State Postsecondary Education Commission
2444 Dole Street
Honolulu, Hawaii 96822-2394
TEL: (808) 956-8213

Byrd Program:

Hawaii Department of Education
OASIS-Student Support Section
Attention: Deanna Helber
641 18th Avenue
Honolulu, Hawaii 96816
TEL: (808) 733-9124

Idaho

LEAP Program:

Idaho State Board of Education
P.O. Box 83720
Boise, Idaho 83720-0037
TEL: (208) 334-2270

Byrd Program:

Idaho State Department of Education
650 West State Street
Boise, Idaho 83720
TEL: (208) 332-6946

Illinois

LEAP Program:

Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
TEL: 1-800-899-4722 (toll free)

Byrd Program:

Illinois Student Assistance Commission
1755 Lake Cook Rd
Deerfield, Illinois 60015-5209
TEL: 1-800-899-4722 (toll free from Illinois and surrounding states)
TEL: 1-800-934-3572 (toll free from other areas)

Note: Applications available in November; application deadline is January 15th

Indiana

LEAP and Byrd Programs:

State Student Assistance Commission of Indiana
150 West Market Street, Suite 500
Indianapolis, Indiana 46204-2811
TEL: (317) 232-2350
TEL: 1-888-528-4719 (toll free from within Indiana)

Iowa

LEAP and Byrd Programs:

Iowa College Student Aid Commission
200 10th Street, 4th Floor
Des Moines, Iowa 50309-3609
TEL: (515) 281-3501 (local)
TEL: 1-800-383-4222 (toll free)

Kansas

LEAP Program:

Kansas Board of Regents
700 S.W. Harrison Street, Suite 1410
Topeka, Kansas 66603-3760
TEL: (785) 296-3517

Byrd Program:

Kansas Department of Education
Kansas State Education Building
120 East Tenth Street
Topeka, Kansas 66612-1103
TEL: (785) 296-4950

Kentucky

LEAP Program:

Kentucky Higher Education Assistance Authority
1050 U.S. 127 South
Frankfort, Kentucky 40601-4323
TEL: 1-800-928-8926 (toll free)

Byrd Program:

Kentucky Department of Education
500 Mero Street, 19th Floor
Frankfort, Kentucky 40601
TEL: (502) 564-3421

Louisiana

LEAP Program:

Louisiana Office of Student Financial Assistance
P.O. Box 91202
Baton Rouge, Louisiana 70821-9202
TEL: 1-800-259-5626 (toll free)

Byrd Program:

Louisiana Department of Education
P.O. Box 94064
626 North 4th Street, 12th Floor
Baton Rouge, Louisiana 70804-9064
TEL: (225) 342-2098

Maine

LEAP and Byrd Programs:

Finance Authority of Maine
P.O. Box 949
Augusta, Maine 04332-0949
TEL: (207) 623-3263

Maryland

LEAP Program:

Maryland Higher Education Commission
State Scholarship Administration
16 Francis Street
Annapolis, Maryland 21401-1781
TEL: (410) 974-5370 (local)
TEL: 1-800-974-1024 (toll free)

Note: Inquirers should specify that they want information about the General State Scholarship, the Tolbert Grant, and the Educational Assistance Grant.

Byrd Program:

Maryland State Department of Education
200 West Baltimore Street
Baltimore, Maryland 21201-2595
TEL: (410) 767-0502

Massachusetts

LEAP Program:

Massachusetts Office of Student Financial Assistance
330 Stuart Street, Suite 304
Boston, Massachusetts 02116
TEL: (617) 727-9420

Byrd Program:

Massachusetts Department of Education
350 Main Street
Malden, Massachusetts 02148-5023
TEL: (781) 388-3300

Michigan

LEAP and Byrd Programs:

Michigan Higher Education Assistance Authority
Office of Scholarships and Grants
P.O. Box 30462
Lansing, Michigan 48909-7962
TEL: 1-888-447-2687 (toll free)

Minnesota

LEAP Program:

Minnesota Higher Education Services Office
1450 Energy Park Drive, Suite 350
St. Paul, Minnesota 55108-5227
TEL: 1-800-657-3866 (toll free)

Byrd Program:

Minnesota Department of Children, Families and Learning
Learner Options Division
1500 Highway 36 West
Roseville, Minnesota 55113
TEL: (651) 582-8579

Mississippi

LEAP Program:

Mississippi Postsecondary Education Financial Assistance Board
3825 Ridgewood Road
Jackson, Mississippi 39211-6453
TEL: (601) 982-6663

Byrd Program:

Mississippi Department of Education
Mississippi Teacher Center
P.O. Box 771
Jackson, Mississippi 39205-0771
TEL: (601) 359-3631

Missouri

LEAP Program:

Missouri Coordinating Board for Higher Education
3515 Amazonas Drive
Jefferson City, Missouri 65109-5717
TEL: (573) 751-2361

Byrd Program:

Missouri Department of Elementary and Secondary Education
P.O. Box 480
Jefferson City, Missouri 65102
TEL: (573) 751-2931

Montana

LEAP Program:

Montana University System
P.O. Box 203101
Helena, Montana 59620-3101
TEL: (406) 444-6570

Byrd Program:

Montana Office of Public Instruction
Attention: Byrd Program
State Capitol, Rm. 106
Helena, Montana 59620
TEL: (406) 444-5663

Nebraska

LEAP Program:

Nebraska Coordinating Commission for Postsecondary Education
P.O. Box 95005
Lincoln, Nebraska 68509-5005
TEL: (402) 471-2847

Byrd Program:

Nebraska Department of Education
301 Centennial Mall South, P.O. Box 94987
Lincoln, Nebraska 68509-4987
TEL: (402) 471-2789

Nevada

LEAP and Byrd Programs:

Nevada Department of Education
700 East Fifth Street
Carson City, Nevada 89701
TEL: (775) 687-9228

New Hampshire

LEAP Program:

New Hampshire Postsecondary Education Commission
2 Industrial Park Drive
Concord, New Hampshire 03301-8512
TEL: (603) 271-2555

Byrd Program:

New Hampshire Department of Education
State Office Park South
101 Pleasant Street
Concord, New Hampshire 03301
TEL: (603) 271-6051

New Jersey

LEAP Program:

State of New Jersey
Office of Student Assistance
P.O. Box 540
Trenton, New Jersey 08625-0540
TEL: 1-800-792-8670 (toll free)

Byrd Program:

New Jersey Department of Education
100 Riverview Plaza, CN500
Trenton, New Jersey 08625-0500
TEL: (609) 984-6314

New Mexico

LEAP Program:

New Mexico Commission on Higher Education
1068 Cerrillos Road
Santa Fe, New Mexico 87501-4295
TEL: (505) 827-7383

Byrd Program:

New Mexico Department of Education
New Mexico Byrd Scholarship Program
300 Don Gaspar
Santa Fe, New Mexico 87501-2786
TEL: (505) 827-6649

New York

LEAP Program:

New York State Higher Education Services Corporation
99 Washington Avenue
Albany, New York 12255
TEL: 1-888-697-4372 (toll free)

Note: Inquirers should specify that they want information about the Tuition Assistance Program (TAP)

Byrd Program:

New York State Education Department
Scholarship Unit
111 Education Building
Washington Avenue
Albany, New York 12234
TEL: (518) 486-1319

North Carolina

LEAP Program:

North Carolina State Education Assistance Authority
P.O. Box 2688
Chapel Hill, North Carolina 27515-2688
TEL: (919) 549-8614

Byrd Program:

North Carolina Department of Public Instruction
301 North Wilmington Avenue
Attention: Scholarship Office (Linda Johnson)
Raleigh, North Carolina 27603-1712
TEL: (919) 715-1161

North Dakota

LEAP Program:

North Dakota University System
North Dakota Student Financial Assistance Program
600 East Boulevard Avenue, Department 215
Bismarck, North Dakota 58505-0230
TEL: (701) 328-4114

Byrd Program:

North Dakota Department of Public Instruction
600 East Boulevard, 9th Floor
Bismarck, North Dakota 58505-0440
TEL: (701) 328-3546

Ohio

LEAP Program:

Ohio Board of Regents
State Grants and Scholarships
P.O. Box 182452
Columbus, Ohio 43218-2452
TEL: 1-888-833-1133 (toll free)

Byrd Program:

Ohio Department of Education
65 South Front Street, Room 1009
Columbus, Ohio 43215
TEL: (614) 466-2761

Oklahoma

LEAP Program:

Oklahoma State Regents for Higher Education
Oklahoma Tuition Aid Grant Program
P.O. Box 3020
Oklahoma City, Oklahoma 73101-3020
TEL: (405) 858-4356

Byrd Program:

State Department of Education
Robert C. Byrd Honors Scholarship
2500 North Lincoln Boulevard
Oklahoma City, Oklahoma 73105-4599
TEL: (405) 521-4311

Oregon

LEAP and Byrd Programs:

Oregon State Scholarship Commission
1500 Valley River Drive, Suite 100
Attention: Grant Programs
Eugene, Oregon 97401
TEL: (541) 687-7400

Pennsylvania

LEAP Program:

Pennsylvania Higher Education
Assistance Agency
1200 North 7th Street
Harrisburg, Pennsylvania 17102-1444
TEL: (717) 720-3600 (local)
TEL: 1-800-692-7435 (toll free only within PA)

Byrd Program:

Pennsylvania Department of Education
Division of School Based Improvement
333 Market Street, 8th Floor
Harrisburg, Pennsylvania 17126-0333
TEL: (717) 783-6583

Rhode Island

LEAP Program:

Rhode Island Higher Education Assistance
Authority
560 Jefferson Boulevard
Warwick, Rhode Island 02886
TEL: 1-800-922-9855 (toll free)

Byrd Program:

Rhode Island Department of Education
255 Westminster Street
Providence, Rhode Island 02903
TEL: (401) 222-4600, ext. 2194

South Carolina

LEAP Program:

South Carolina Higher Education Tuition Grants
Commission
P.O. Box 12159
Columbia, South Carolina 29211
TEL: (803) 734-1200

Byrd Program:

South Carolina Department of Education
801 Rutledge Building
1429 Senate Street
Columbia, South Carolina 29201
TEL: (803) 734-8116

South Dakota

LEAP Program:

Does not participate

Byrd Program:

Department of Education and Cultural Affairs
Office of the Secretary
700 Governors Drive
Pierre, South Dakota 57501-2291
TEL: (605) 773-5669

Tennessee

LEAP and Byrd Programs:

Tennessee Student Assistance Corporation
404 James Robertson Parkway
Parkway Towers, Suite 1950
Nashville, Tennessee 37243-0820
TEL: 1-800-342-1663 (toll free within TN)
TEL: 1-800-257-6526 (toll free from outside TN)

Texas

LEAP and Byrd Programs:

Texas Higher Education Coordinating Board
P.O. Box 12788
Austin, Texas 78711-2788
TEL: 1-800-242-3062 (toll free)

Utah

LEAP Program:

Utah State Board of Regents
Utah System of Higher Education
355 West North Temple
Triad #3, Suite 550
Salt Lake City, Utah 84180-1205
TEL: (801) 321-7100

Byrd Program:

Utah State Office of Education
250 East 500 South
Salt Lake City, Utah 84111
TEL: (801) 538-7779

Vermont

LEAP and Byrd Programs:

Vermont Student Assistance Corporation
P.O. Box 2000
Winooski, Vermont 05404-2601
TEL: 1-802-655-9602 (local)
TEL: 1-800-642-3177 (toll free)

Virginia

LEAP Program:

State Council of Higher Education for Virginia
James Monroe Building
101 North 14th Street
Richmond, Virginia 23219
TEL: (804) 786-1690

Byrd Program:

Virginia Department of Education
P.O. Box 2120
James Monroe Building
14th & Franklin Streets
Richmond, Virginia 23218-2120
TEL: (804) 225-2877

Washington

LEAP Program:

Washington State Higher Education Coordinating Board
917 Lakeridge Way
P.O. Box 43430
Olympia, Washington 98504-3430
TEL: (360) 753-5911

Byrd Program:

Superintendent of Public Instruction
P.O. Box 47200
Olympia, Washington 98504-7200
TEL: (360) 753-2858

West Virginia

LEAP and Byrd Programs:

State College and University Systems of West Virginia, Central Office
1018 Kanawha Boulevard East, Suite 700
Charleston, West Virginia 25301-2827
TEL: 1-888-825-5707 (toll free)

Wisconsin

LEAP Program:

Wisconsin Higher Educational Aids Board
P.O. Box 7885
Madison, Wisconsin 53707-7885
TEL: (608) 267-2944

Byrd Program:
State of Wisconsin Department of Public Instruction
125 South Webster Street
P.O. Box 7841
Madison, Wisconsin 53707
TEL: (608) 266-3706

Wyoming

LEAP Program:
Wyoming Community College Commission
2020 Carey Avenue, 8th Floor
Cheyenne, Wyoming 82002
TEL: (307) 777-7763

Byrd Program:
Wyoming State Department of Education
2300 Capitol Avenue
Hathaway Building, 2nd Floor
Cheyenne, Wyoming 82002
TEL: (307) 777-6268

American Samoa

LEAP and Byrd Programs:
American Samoa Community College
Board of Higher Education
P.O. Box 2609
Pago Pago, American Samoa 96799-2609
TEL: (684) 699-9155*

Guam

LEAP and Byrd Programs:
University of Guam
303 University Drive
Mangilao, Guam 96923
TEL: (671) 735-2280*

Northern Mariana Islands

LEAP Program:
Northern Marianas College
P.O. Box 1250
Saipan, MP 96950
TEL: (670) 234-5498, ext. 1422*

Byrd Program:
Commonwealth of the Northern Mariana Islands
State Board of Education
Public School System
P.O. Box 1370 CK
Saipan, MP 96950
TEL: (670) 322-6405*

Puerto Rico

LEAP Program:
Puerto Rico Council on Higher Education
Box 19900-Fernandez Juncos Station
San Juan, Puerto Rico 00910-1900
TEL: (787) 724-7100

Byrd Program:
Puerto Rico Department of Education
P.O. Box 759
Hato Rey, Puerto Rico 00919
TEL: (787) 758-2200

Virgin Islands

LEAP and Byrd Programs:
Virgin Islands Joint Board of Education
P.O. Box 11900, Charlotte Amalie
St. Thomas, Virgin Islands 00801
TEL: (340) 774-0100

Republic of the Marshall Islands

LEAP Program:
Does not participate

Byrd Program:
RMI Scholarship Grant and Loan Board
P.O. Box 1436
Majuro, Marshall Islands 96960
TEL: (692) 625-3108*

**To call from the U.S., dial 011 before the country code shown in parentheses.*

Federated States of Micronesia

LEAP Program:
Does not participate

Byrd Program:
Federated States of Micronesia
1725 N Street NW
Washington, DC 20036
TEL: (202) 223-4383

Republic of Palau

LEAP Program:
Does not participate

Byrd Program:
Ministry of Education
Bureau of Curriculum & Program Development
P.O. Box 189
Koror, Republic of Palau 96940
TEL: (680) 488-1464*

**To call from the U.S., dial 011 before the country code shown in parentheses.*

Appendix C

Sample Handouts

You'll find several handouts on the following pages. These handouts may be photocopied and used to provide basic information about student aid and postsecondary education opportunities.

You also might wish to create your own reminders and information sheets for students.

Keep for your reference

Student Financial Aid Web Sites

Federal student financial aid information *(includes texts of some publications)* from the U.S. Department of Education	***http://www.ed.gov/studentaid***
Free Application for Federal Student Aid (FAFSA)—apply on the Web and/or look up **federal school codes**	***http://www.fafsa.ed.gov***
Hope and **Lifetime Learning tax credits**	***http://www.irs.ustreas.gov***
For **general information** about scholarships, financial aid, planning a career, selecting a school, paying for school, and chat nights	***http://www.collegeispossible.org*** ***http://www.mapping-your-future.org***
Federal tax returns and taxpayer help from the U.S. Internal Revenue Service	***http://www.irs.ustreas.gov***
Free scholarship search services	***http://www.finaid.org*** ***http://www.college-scholarships.com/100college.htm***
Information on the **SAT** and other tests	***http://www.collegeboard.org***
Information on **ACT**	***http://www.act.org***
Register with the **Selective Service**	***http://www.sss.gov***
Calculate loan repayments	***http://www.salliemae.com***

The U.S. Department of Education does not endorse the nonfederal web sites in this listing, the sponsors of the sites, or any products presented on the sites or links.

Keep for your reference

Myths About Financial Aid

"I'm not going to bother filling out the *Free Application for Federal Student Aid* because..."

"...there isn't enough financial aid for students like me."

False. Many students and parents have the impression that the budget for the federal student aid programs has been severely reduced. In fact, funding for these programs has grown steadily. While it's true that the aid available cannot meet the full financial need of all students, it's still important to apply and find out how much aid you're eligible for at your school of choice.

"...only students with good grades get financial aid."

False. Many students think that financial aid is awarded on the basis of grades. While a high grade point average will help a student get into a good school and may help with academic scholarships, most of the federal student aid programs do not take a student's grades into consideration. Provided a student maintains satisfactory academic progress in his or her program of study, federal student aid will help a student with an average academic record complete his or her education.

"...you have to be a minority to get financial aid."

False. Funds from federal student aid programs are awarded on the basis of financial need, NOT on the basis of race, creed, or gender. The *Free Application for Federal Student Aid* (FAFSA)—the financial aid application for these programs—doesn't even collect this kind of information about an applicant.

"...millions of dollars in scholarships go unawarded each year, so I'll get some of that money. I won't need government help."

Only partly true. Most of the money referred to in such statistics is offered by companies to their employees' children or by organizations to their members' children. While it is well worth researching nonfederal scholarships and grants, the truth is that the majority of student aid available comes from the federal government. Therefore, filling out a FAFSA is an important first step for any student.

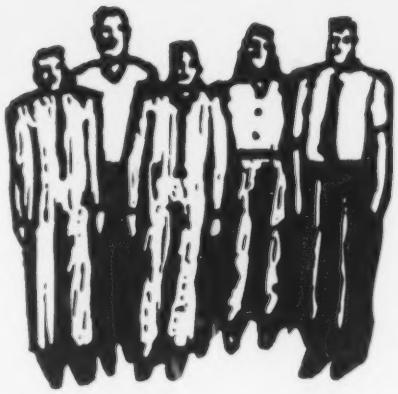
For more information about federal student aid, see http://www.ed.gov/studentaid or call the Federal Student Aid Information Center at **1-800-4-FED-AID** (1-800-433-3243). TTY: **1-800-730-8913.** Toll number for inquirers calling from foreign countries: **1-319-337-5665.**

Federal Student Aid Web Site:
http://www.ed.gov/studentaid

Federal Student Aid Information Center:
1-800-4-FED-AID

Keep for your reference

Why Go To College?



Answer: How about... a good job!

Can't I get a good job now?

Yes, maybe you could, but statistics are against you. Consider these average earnings:

High school dropout—$17,900 a year
High school graduate—$25,400 a year
College graduate—$44,300 a year

Sometimes it's hard to stay in school if you think you need to be working to earn money. But if you finish high school and go on to college, you'll have a wider variety of jobs to choose from, and you'll earn more—especially in the long run.

But I don't know what career to go into!

If you're having trouble deciding what to do, talk to your school counselor. Ask about taking an aptitude test or interest inventory. And remember, you don't have to know exactly what career you want before you start college; often a year or two of college helps a student explore different subject areas and decide on one.

Doesn't college cost a lot of money?

Think of college as an investment: you spend money now so you can earn more later. Take a look at **http://www.ed.gov/studentaid** for information about the student aid programs administered by the U.S. Department of Education. You can also call the Federal Student Aid Information Center at **1-800-4-FED-AID** (1-800-433-3243) and ask for a free copy of *Funding Your Education*—or simply download it from **http://www.ed.gov/prog_info/SFA/FYE**

It pays to stay in school!

Keep for your reference

Choosing A Career

Making the choices that are right for you

A first step in deciding what to do after high school is to talk with your school counselor or a teacher for advice. Ask your school counselor about taking an aptitude test or interest inventory to find your strengths, weaknesses, and interests to discover potential career choices that are right for you.

1. **Learn about yourself.**
   - **Values**—What is important to you?
   - **Interests**—What appeals to you?
   - **Aptitude**—What are you good at?

2. **Talk to people.**
   Once you've narrowed your career choices, talk to people who are working in that field or, if possible, find a part-time job in that field.

   It's helpful to ask questions such as, "What's good and bad about this job?" "How did you learn your trade?" There are many sources of career and job outlook information available—go to your school library, public library, or school counselor.

3. **Consider how much training you will need for the career you're interested in.**
   - **High school diploma**: cashier, receptionist, salesperson, security guard, telephone operator, waiter/waitress
   - **Special career training**: auto technician, firefighter, machinist, medical technician, police officer, computer operator, commercial artist
   - **College degree**: accountant, counselor, engineer, nurse, pilot, teacher, public relations specialist
   - **Graduate degree**: college professor, dentist, lawyer, veterinarian, research scientist, architect

For information about specific careers, see the *Occupational Outlook Handbook* at **http://stats.bls.gov/opbhome.htm** or in a library.

For information about financial aid for college or vocational school, see **http://www.ed.gov/studentaid**

Occupational Outlook Handbook:
http://stats.bls.gov/opbhome.htm

Financial Aid:
http://www.ed.gov/studentaid

Keep for your reference

Choose A School Carefully

Going to school is a lifetime investment

Getting training after high school may help you get a better-paying job doing work you like. But going to school is a big investment. You're investing your time. Chances are you'll also have to invest your own money or take out a student loan to go to school. So you need to be sure that you're choosing the right school.

1. **Talk to your counselor.** Your school counselor is the first stop for information about the options available to you. Counselors can help you focus on your needs and goals, and they have information about different types of schools. Your counselor also can help you collect or prepare application materials.

2. **Shop around.** Contact more than one school. If you're looking for vocational training, check the Yellow Pages under "Schools" for phone numbers. If your area has a community college, call the admissions office and find out what kinds of training the college offers.

3. **Visit the school.** Call the school and schedule a visit, preferably while classes are being taught. Get a feel for the school; make sure you're comfortable with the facilities, the equipment, the teachers, and the students.

4. **Don't be afraid to ask!** A good school will be happy to answer your questions about its programs. Ask the school about its students: How many graduate? How many get jobs because of the training they received? What kind of job placement services does the school offer students and graduates?

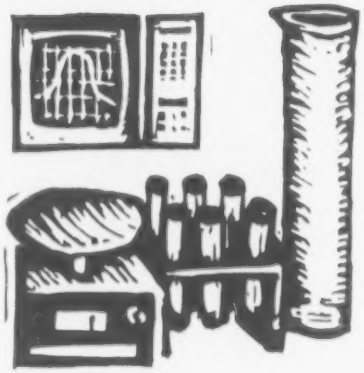
5. **Check the cost.** Make sure the school gives you a clear statement of its tuition and fees. Remember that any financial aid you get will be applied first to paying the school's tuition and fees. If there's any money left over, the school will give it to you to help you pay for things such as food and rent.

6. **Call these numbers.** Call your local Better Business Bureau, state higher education agency, or consumer-protection division of your state attorney general's office to find out if there have been any complaints about the school. Call the U.S. Department of Education's Federal Student Aid Information Center's toll-free number (**1-800-4-FED-AID**) if you have any questions about your financial aid at the school or to request a free copy of *School Shopping Tips*. You can also access our web site shown below.

Visit our web site at http://www.ed.gov/studentaid

Keep for your reference

Need training for a job?



What you need to know

Before you sign up for a vocational school or correspondence course:

1. **Define your goals.** Do you want to learn a skill, prepare for a test, get a job, or get a license or certification?

2. **Comparison shop.** Look at the choices. Which offers the best combination of affordable fees and a solid education? Does on-the-job training, a community college program, a correspondence course, or a vocational school make the most sense?

3. **Do a background check.** Ask employers you might want to work for what they think about the school. Call recent graduates to ask about their experience at the school. Visit the school when class is in session. Stick around to talk to current students. Call the agency that licenses or accredits the school to see if it meets required standards. Call your local Better Business Bureau to find out if there have been any complaints about the school.

Important Points:

Take your time. *Don't sign a contract until you've read it...and understood it. Ask questions about repayment terms, refunds and cancellation policies, and finding a job after you finish the course. What happens if you have to quit before you finish? It's a good idea to ask someone you trust to read and evaluate the forms, too.*

If you're unhappy *with the school or program you chose—or if you think you were misled—complain. To whom? The agency that licenses or accredits the school, the U.S. Department of Education, the Federal Trade Commission, or the Better Business Bureau.*

For further information about choosing a vocational school, access the Consumer Protection area of the Federal Trade Commission's web site at http://www.ftc.gov or call the Federal Student Aid Information Center at **1-800-4-FED-AID** (1-800-433-3243; TTY: **1-800-730-8913**) and ask for a free copy of *School Shopping Tips*.

Federal Trade Commission's web site :
http://www.ftc.gov

Federal Student Aid Information Center:

Keep for your reference

Don't get scammed on your way to college!

" This scholarship is guaranteed or your money back."

Wrong. No one can guarantee to get you a grant or scholarship. Remember, too, that school guarantees often have conditions or strings attached. Get school refund policies in writing.

" You can't get this information anywhere else."

Unlikely. Many free lists of scholarships are available. Check with your school counselor or librarian for free information about current scholarships before you pay someone for the same or similar information. For more information about paying for college, visit the U.S. Department of Education's web site for students at http://www.ed.gov/studentaid

" May I have your credit card or bank account number to hold this scholarship?"

No way. It may be a setup for an unauthorized withdrawal from your account. Don't give out your or your parents' credit card or bank account number on the phone without first getting all the information in writing.

" We'll do all the work."

Don't be fooled. There's no way around it. You must apply for scholarships or grants yourself.

" The scholarship will cost you some money."

That doesn't make sense. Free money shouldn't cost a thing. Don't pay anyone who claims to have access to a scholarship for you.

" You've been selected by a 'national foundation' to receive a scholarship" or "You're a finalist in a contest" (that you didn't enter).

Be careful. Before you send money to apply for a scholarship, check it out. Make sure the foundation or program is legitimate. Some places imitate legitimate foundations, federal agencies, and corporations. They might even have official-sounding names, using such words as "National," "Federal," "Division," and "Foundation" to fool students and parents into thinking they are legitimate enterprises.

To find out how to spot, stop, and report a scholarship scam, contact the Federal Trade Commission at 600 Pennsylvania Ave., NW, Consumer Response Center, Washington, DC 20580.
Web site: **http://www.ftc.gov**
Telephone (National Fraud Information Center): **1-877-FTC-HELP** (TTY: **1-202-326-2502**).

Federal Trade Commission:
http://www.ftc.gov

National Fraud Information Center
1-877-FTC-HELP

Keep for your reference

Be an informed consumer

Know what to expect from a school that offers you federal student financial aid

Enrollment contracts

Read any school enrollment contract carefully before you sign it. The contract explains what the school will give you for your money.

If a representative of the school promises you things that are not in the contract, such as help finding a job, ask that the promise be written into the contract and that it be signed and dated. A promise usually is not enforceable in court unless it is in writing.

Tuition and fees

If you're enrolling in a **community college** or **four-year college**, you will probably get a tuition and fee bill before each term (semester or quarter) begins; a portion of your federal financial aid will be paid each term.

If you're enrolling at a **vocational school**, you usually will be charged tuition and fees for the entire educational program at the beginning. However, your federal financial aid will usually be divided into at least two payments. The first payment is made at the beginning of the program, and the second payment is made after you've finished half of the program.

Most schools use your financial aid to pay your tuition and fees. If there's any left over, the school must give it to you to help pay your living expenses.

Loans

Even if you qualify for a full Federal Pell Grant (gift aid), your cost of attendance might not be covered. If other gift aid and work-study aren't available, check with your school about the types of loans you can get. Before you borrow, think about how you will afford to pay the money back. Either the school or the lender must give you a repayment schedule that explains how much your loan payments will be and when you have to start making the payments.

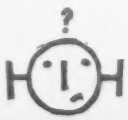
Remember that you must pay back a loan, even if you drop out of school or don't find a job after you graduate.

Refund policy

It's important to find out whether you can get a refund from the school if you drop out before you get your degree or certificate. Every school that uses federal financial aid must have a written refund policy, and it must give you a copy of that policy if you request it.

If financial aid is used to pay your costs at the school, at least part of your refund will probably go to the federal aid program it came from. If you took out a loan, some money might go to your lender, reducing the amount of the loan that you have to repay. Any remaining refund goes to you.

Be sure to let the school know exactly when you plan to withdraw—it may reduce your debt.



For further consumer information, contact the U.S. Department of Education's Federal Student Aid Information Center at 1-800-433-3243 (TTY: 1-800-730-8913)

Keep for your reference

Military Scholarships

These scholarships are awarded on the basis of merit rather than financial need.

Army Reserve Officer Training Corps

Army Reserve Officer Training Corps (ROTC) scholarships are offered at hundreds of colleges and universities across the nation. Application packets, information on eligibility, and the telephone number of an ROTC advisor in your area are available from: College Army ROTC, Gold QUEST Center, P.O. Box 3279, Warminster, PA 18974-9872.
Telephone: **1-800-USA-ROTC** (1-800-872-7682).
Web site: **http://www.armyrotc.com**

Air Force Reserve Officer Training Corps

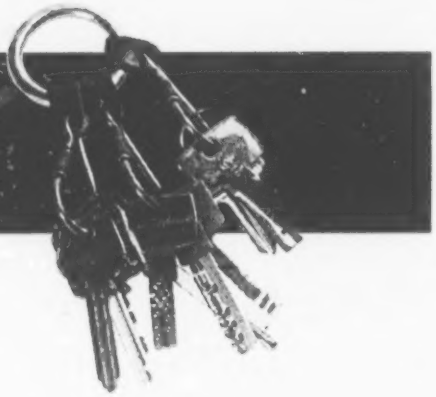
The Air Force Reserve Officer Training Corps (AFROTC) college scholarship program targets students pursuing technical degrees, such as certain engineering and science programs, although students entering a wide variety of majors may be accepted. Information about AFROTC scholarships is available from: HQ AFROTC, 551 East Maxwell Blvd., Maxwell AFB, AL 36112-6106.
Telephone: **1-800-522-0033, ext. 7783.**
Web site: **http://www.afoats.af.mil**

Naval Reserve Officer Training Corps

The Naval Reserve Officer Training Corps (NROTC) four-year scholarship is available to students with no more than one year of college credit and is awarded annually. For information about the NROTC scholarship program, contact any college that offers NROTC, or write to: Chief of Naval Education and Training (CNET), 250 Dallas Street, OTE6/081, Pensacola, FL 32508-5220.
Telephone: **1-800-NAV-ROTC** (1-800-628-7682).
Web site: **http://www.cnet.navy.mil/nrotc/nrotc.htm**
E-mail: **nrotc.scholarship@smtp.cnet.navy.mil**

Note: Military scholarships require recipients to enlist in one of the U.S. Armed Forces while attending college. After graduating, recipients will have a service obligation in either the reserves or active duty.

Glossary



Academic Year—A measure of academic work to be accomplished by a student. A school defines its own academic year, but federal regulations set minimum standards schools must adhere to if they wish to award federal financial aid funds. For instance, the academic year must be at least 30 weeks of instructional time in which a full-time student is expected to complete at least 24 semester or trimester hours, 36 quarter hours, or 900 clock hours.

Award Year—The time beginning on July 1 of one year and extending to June 30 of the next year. Funding for Federal Pell Grants and campus-based programs is provided on the basis of the award year—for example, a student is paid out of funds designated for a particular award year, such as the 2000-2001 award year.

Base Year—For analyzing student financial need, the base year is the calendar year preceding the award year. For instance, 1999 is the base year used for the 2000-2001 award year. The *Free Application for Federal Student Aid* (FAFSA) uses family income from the base year because it is more accurate and easier to verify than projected-year income.

Campus-Based Programs—The term that applies to three federal financial aid programs administered on campus by eligible institutions of postsecondary education. These programs are

- Federal Supplemental Educational Opportunity Grant (FSEOG) Program,
- Federal Perkins Loan Program, and
- Federal Work-Study (FWS) Program.

Central Processing System (CPS)—ED's processing facility for the *Free Application for Federal Student Aid* (FAFSA). The CPS

- receives student information from application processors,
- calculates a student's official Expected Family Contribution (EFC),
- performs several eligibility database matches,
- prints *Student Aid Reports* (SARs) or *SAR Information Acknowledgements*, and
- produces *Institutional Student Information Records* (ISIRs).

Citizen/Eligible Noncitizen—A student must be one of the following to receive federal student aid:

- U.S. citizen,
- U.S. national (includes natives of American Samoa or Swain's Island), or
- U.S. permanent resident who has an I-151, I-551, or I-551C (Alien Registration Receipt Card).

If a student is not in one of these categories, he or she must have an Arrival-Departure Record (I-94) from the U.S. Immigration and Naturalization Service (INS) showing one of the following designations:

- "Refugee,"
- "Asylum Granted,"
- "Indefinite Parole" and/or "Humanitarian Parole," or
- "Cuban-Haitian Entrant (Status Pending)," or

- "Conditional Entrant" (valid only if issued before April 1, 1980).

  If a student has only a "Notice of Approval to Apply for Permanent Residence" (I-171 or I-464), he or she is not eligible for federal student aid.

  If a student is in the U.S. on an F-1 or F-2 student visa, or on a J-1 or J-2 exchange-visitor visa only, he or she can't get federal student aid. Also, persons with G series visas (pertaining to international organizations) are not eligible for federal student aid.

  Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are eligible only for Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, Federal Work-Study, and Byrd Scholarships. These applicants should check with their schools' financial aid administrators for more information.

Consolidation Loan—A loan that combines multiple federal student loans into a single loan with one monthly payment. Consolidation loans are available through the Federal Family Education Loan (FFEL) Program and the Direct Loan Program. Both allow the borrower to combine different types and amounts of federal student loans to simplify repayment.

Note: A consolidation loan pays off the existing loans; the borrower then repays the consolidation loan.

Cost of Attendance (COA)—A student's cost of attendance at a postsecondary institution includes

- tuition and fees,
- room and board expenses while attending school,
- allowances for books and supplies (including a reasonable allowance for renting or purchasing a personal computer),
- transportation,
- loan fees for federal student loans (if applicable),
- dependent-care costs,
- costs related to a disability, and
- other miscellaneous expenses.

In addition, reasonable costs for a study-abroad program and costs associated with a student's employment as part of a cooperative education program may be included. The cost of attendance is estimated by the school, within guidelines established by federal law. The cost of attendance is compared to a student's Expected Family Contribution (EFC) to determine the student's need for aid (COA - EFC = student's financial need).

Default—Failure to repay a loan according to the terms of the promissory note. There can be serious legal consequences for student-loan defaulters.

Default Rate—A percentage calculated each year for a postsecondary school on the basis of the number of former students who have defaulted on the Federal Family Education Loan (FFEL) Program and/or Direct Loan Program loans received while attending that school.

ED—Abbreviated name for the U.S. Department of Education.

Eligible Program—A course of study that requires a certain minimum number of hours of instruction and period of time and that leads to a degree or certificate at a school participating in one or more of the federal student financial aid programs described in this handbook. Generally, to get student aid, a student must be enrolled in an eligible program.

Estimated Financial Assistance—Student financial aid that must be taken into account to determine eligibility for federal student loans. Estimated financial assistance is called "resources" in determining eligibility (and preventing overawards) in the campus-based programs.

Expected Family Contribution (EFC)—Calculated using a formula established by Congress; the amount that a student's family is expected to contribute toward the student's cost of attendance. The EFC is used to determine if a student is eligible for federal student financial aid. It is printed on the front of a *Student Aid Report* (SAR), *SAR Information Acknowledgement*, and *Institutional Student Information Record* (ISIR). An EFC Estimator is included in *FAFSA on the Web*, *Renewal FAFSA on the Web*, and *FAFSA Express*.

Federal Family Education Loan (FFEL) Program—The Federal Stafford Loan (subsidized and unsubsidized), Federal PLUS Loan (for parents), and Federal Consolidation loan programs. Funds for these programs are provided by private lenders; the loans are guaranteed by the federal government.

Financial Need—The difference between a student's cost of attendance (COA) at a school and the Expected Family Contribution (EFC). (COA - EFC = student's financial need)

***Free Application for Federal Student Aid* (FAFSA)**—An application completed and filed by a student who wishes to receive federal student financial aid. The application collects household and financial information used by the federal government to calculate the Expected Family Contribution (EFC) to postsecondary education costs. See also Renewal FAFSA.

***Institutional Student Information Record* (ISIR)**—An electronic federal "output" record for schools that contains a student's Expected Family Contribution (EFC) as calculated by ED's central processing system (CPS) and all the financial and other data submitted by the student on the *Free Application for Federal Student Aid* (FAFSA). See also *Student Aid Report* (SAR).

Need—The difference between a school's cost of attendance (COA) and a student's Expected Family Contribution (EFC). (COA - EFC = student's financial need)

Need Analysis—The process of analyzing household and financial information on a student's financial aid application and calculating an Expected Family Contribution (EFC) to determine the student's need for financial aid for postsecondary education costs.

Overaward—Generally, any amount of federal financial aid that exceeds a student's financial need.

Overpayment—Any payment of a Federal Pell Grant, FSEOG, Federal Perkins Loan, or LEAP grant (formerly SSIG) that exceeds the amount for which a student was eligible. An overpayment may be the result of an overaward, an error in the cost of attendance (COA) or Expected Family Contribution (EFC), or a student not meeting other eligibility criteria, such as citizenship or enrollment in an eligible program.

Promissory Note—A binding legal document that a borrower signs to get a loan. By signing this note, a borrower promises to repay the loan, with interest, in specified installments. The promissory note also includes any information about

- grace periods,
- deferment or cancellation provisions, and
- a borrower's rights and responsibilities with respect to that loan.

Renewal FAFSA—A partially pre-formatted version of the FAFSA that students may use if they applied for federal financial aid the previous award year. If a student is among those allowed to complete a Renewal FAFSA, it will be sent directly to him or her by the FAFSA processor or the school. See also *Free Application for Federal Student Aid* (FAFSA).

Resources—Student financial aid that must be taken into account to prevent overawarding aid in the campus-based programs. Resources are called "estimated financial assistance" in determining a student's eligibility for federal student loans.

SAR Information Acknowledgement—A federal "output" document, similar to the SAR, that ED's central processor sends to a student who files the FAFSA through Electronic Data Exchange (EDE) at a postsecondary school or who makes changes through *Corrections on the Web*. See also *Student Aid Report* (SAR).

School—A postsecondary educational institution, such as a college, university, or career school. In this handbook, the term "school" refers to such an institution, not to a high school.

Simplified Needs Test—The Simplified Needs Test excludes assets from the Expected Family Contribution (EFC) calculation for low- to moderate-income families who file simplified tax returns (1040A, 1040EZ). For eligible students, the Central Processing System (CPS) automatically excludes the assets when calculating the EFC.

***Student Aid Report* (SAR)**—A federal "output" document sent to a student by ED's central processor. A student receives a SAR if he or she files a paper *Free Application for Federal Student Aid* (FAFSA) or files electronically using *FAFSA on the Web* or

FAFSA Express. The SAR contains financial and other information reported by the student on the FAFSA. That information is entered into the processing system, and the SAR is produced. The student's Expected Family Contribution (EFC) is printed on the front of the SAR. (See also *Institutional Student Information Record* and *SAR Information Acknowledgement*.)

Student financial aid (SFA) programs—Programs administered by the U.S. Department of Education:

- Federal Pell Grants,
- Federal Supplemental Educational Opportunity Grants (FSEOG),
- Federal Work-Study (FWS),
- Federal Perkins Loans,
- Federal Direct Stafford/Ford Loans (both subsidized and unsubsidized),
- Federal Direct PLUS Loans (for parents),
- Federal Direct Consolidation Loans,
- Federal Stafford Loans (both subsidized and unsubsidized),
- Federal PLUS Loans (for parents),
- Federal Family Education Loan (FFEL) Consolidation Loans,
- Leveraging Educational Assistance Partnership (LEAP) Program grants, formerly State Student Incentive Grants (SSIG), and
- Robert C. Byrd Honors Scholarship Program (Byrd Program).

Verification—A procedure through which a school checks the information a student reported on the *Free Application for Federal Student Aid* (FAFSA), usually by requesting a copy of signed tax returns filed by the student and, if applicable, the student's parent(s) and spouse. Schools must verify information about students selected for verification by ED's central processor, following procedures established by federal regulations. The processor prints an asterisk next to the Expected Family Contribution (EFC) on SARs and *SAR Information Acknowledgements* and flags ISIRs to identify students selected for verification. Many schools also select certain other students for verification in addition to those selected by the central processor.

William D. Ford Federal Direct Loan Program (Direct Loan Program)—Federal Direct Stafford/Ford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans), Federal Direct PLUS Loans (for parents), and Federal Direct Consolidation Loans. Funds for these programs are lent to student and parent borrowers by the federal government through schools that participate in the program.

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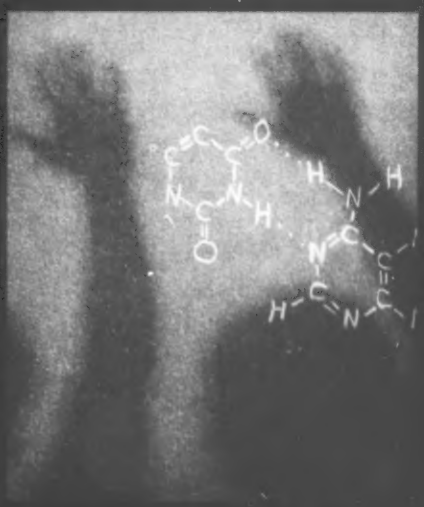

US Department of Education
Student Financial Assistance

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